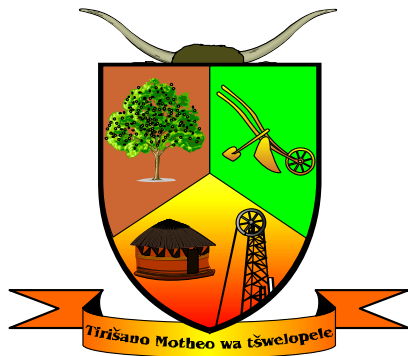


Draft Annual Budget of Fetakgomo Local Municipality



2013/14-2015/16

Medium Term Revenue Expenditure Forecasts

Copies of this document can be viewed:

- **At the municipal library**
- **Municipal offices located at the reception**
- **At www.fetakgomo.gov.za**

Table of Contents

PART 1-ANNUAL BUDGET

PART 1	PAGE
1.1 MUNICIPAL MANAGERS' QUALITY CERTIFICATE	5
1.2 MAYORS' REPORT	6
1.3 COUNCIL RESOLUTIONS	9
1.4. EXECUTIVE SUMMARY	10
1.4.1 OPERATING BUDGET FRAMEWORK	11
1.4.2 OPERATING REVENUE FRAMEWORK	15
1.4.3 OPERATING EXPENDITURE FRAMEWORK	22
1.5 CAPITAL EXPENDITURE	28
1.6 ANNUAL BUDGET TABLES	31

PART 2

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	43
2.2 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	44
2.3 OVERVIEW OF BUDGET ASSUMPTIONS	50
2.4 TARIFFS	52
2.6 OVERVIEW OF BUDGET RELATED POLICIES	59
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	61
2.8 COUNCILLOR AND EMPLOYEE BENEFITS	62
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASHFLOW	65
2.10 LEGISLATION COMPLIANCE STATUS	66
2.11 OTHER SUPPORTING DOCUMENTS	67

ACRONYMS AND TABLES

MFMA	Municipal Finance Management Act 56 of 2003
MSA	Municipal Systems Act 32 of 2000
MPRA	Municipal Property Rates Act 6 of 2004
MIG	Municipal Infrastructure Grant
LGSETA	Local Government Sector Education Training Authority
CoGHSTA	Department of Cooperative Governance Human Settlement and Traditional Affairs
COGTA	Department of Cooperative Governance and Traditional Affairs
MTREF	Medium Term Revenue Expenditure Framework
LED	Local Economic Development
MMBRR	Municipal Monitoring and Budgeting Reporting Regulation
EPWP	Expanded Public Works Programme
VAT	Valued Added Tax
CPI	Consumer Price Index

Chart 1	Revenue chart per vote
Chart 2	Operating revenue per source
Chart 3	Operating expenditure per type
Chart 4	Operating expenditure per municipal vote

Table 1	Consolidated overview of the MTREF
Table 2	Percentage revenue growth over the MTREF
Table 3	Consolidated overview
Table 4	Transfer and grants receipts
Table 5	Summary of expenditure by standard classification
Table 6	Depreciation by asset class
Table 7	Consolidated overview of capital expenditure funding
Table 8	Capital expenditure on new assets by assets class
Table 9	Budget summary
Table 10	Budgeted financial performance by standard classification
Table 11	Budgeted financial performance by municipal vote
Table 12	Budgeted financial performance revenue and expenditure
Table 13	Budgeted expenditure by vote, standard classification and funding
Table 14	Budgeted financial position
Table 15	Budgeted cash flow
Table 16	Cash backed accumulated surplus reconciliation
Table 17	Asset management
Table 18	IDP/budget process plan
Table 19	Measurable performance objectives
Table 20	Tariffs for 2013/14 budget year
Table 21	Investment particulars by type
Table 22	Reconciliation of transfers, grants and unspent funds

Table 23	Summary of Councillors and Staff benefits
Table 24	Summary of allowances and benefits
Table 25	Summary of personnel numbers



Municipal Manager's Quality certification

I, **Motlanalo Lebepe**, the Municipal Manager of Fetakgomo Local Municipality, hereby

Certify that the budget has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act and that it is consistent with the Integrated Development Plan

Print name: _____

Municipal Manager of Fetakgomo Local Municipality

Signature : _____

Date : _____



MAYORAL FOREWORD

This IDP/Budget attempts to ameliorate or answer the following triple problems/challenges of unemployment, poverty and inequality. This year, 2013, is so special because it marks the second review of the five year (2011/12 – 2015/16) IDP (Integrated Development Plan) / Budget. The 2013/14 IDP/ Budget Review takes this into account. It acknowledges that the 2013 year is designated as “The Year of Unity in Action Towards Socio-Economic Freedom”. This is further in recognition of countless of our people who sacrificed immeasurably in bringing about a non-sexist, united, free, democratic and prosperous society. It is in this spirit that the second review of the IDP/Budget of this 3rd term of local government, builds on the previous terms including the 1st term (2000 - 2005) and the 2nd term (2006 - 2011). It therefore informs the municipal planning context for the 2013/14. This 2013/14 IDP/Budget review is guided by the legal framework for developmental local government in general and in particular Chapter 5 of the Local Government: Municipal Systems Act (no. 32 of 2000) (RSA, 2000:s35). The strategic importance and the status of the IDP is conceptualised as:

- (a) the planning instrument which informs all decisions with regard to planning, management and development in the Municipality;*
- (b) binds the Municipality in the exercise of its executive authority; and*
- (c) binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law (s35 MSA, no. 32 of 2000).*

The Municipality must give effect to its IDP and conduct its affairs in a manner which is consistent with its IDP (RSA, 2000:s36). Article 30 of the Local Government: Municipal Systems Act (no.32 of 2000) imposes the following duties unto the Executive Committee:

- (a) manage the drafting of the Municipality’s IDP;*
- (b) assign responsibilities in this regard to the Municipal Manager; and*
- (c) submit the draft plan to the municipal Council for adoption.*

These provisions define the political nature of planning within the municipal setting in particular. The Executive Committee is the political custodian of the IDP/Budget.

March 2013

By embracing this year, 2013, as “The Year of Unity in Action Towards Socio-Economic Freedom”, this IDP/Budget accentuates the legacy of hard work we have built over the years or so as well as improved, focused performance. In the medium to long term, it is intended to create a more prosperous Fetakgomo through job creation, health, education and sustainable rural development and land reform.

(a) Job creation

Largely through the LED initiatives, over 1513 jobs have been created since the 1st July 2012 to date. This is, in a sense, a contribution towards the achievement of the overall national target - five (5) Million jobs envisaged in the New Growth Path (NGP).

(b) Health

We have worked tirelessly to ensure that the Nchabeleng Health Centre is converted into a Hospital. The conversion was initially planned for 2014/15 and has now been re-planned for 2015/16 financial year due to budgetary impediments cited by the Department of Health. It is anticipated that this will promote the health status of the population as the fundamental human right . There is comforting evidence to suggest that we are making steady progress in the fight against HIV/AIDS. According to the most recent antenatal care (ANC) data released by the National Department of Health on the 10th December 2012, the Sekhukhune HIV epidemiological analysis shows an downward trend, there is a statistically significant drop of 1.3% from 20.2% in 2010 to 18.9% in 2011. This result is quite pleasing.

(c) Education

The Mayoral Visit to schools undertaken during the January-February 2013 was an encouraging gesture. In this regard, the poor performing schools were visited, inter alia: Mokhulwane, Nakammakgomo, Ngwanamala, and Mohlotlwane schools. Telelo school was visited for different reason: improved performance since last visited in 2012. Congratulatory letters were written to the best performing schools, Molohe Combined, Dinakanyane and Mafoufale schools. In the general sense of the word, there is a lot that still need to be done in the arena of skilling our people. The triple challenges earlier-mentioned are partly due to dis-skilling of our people by the apartheid regime. The underutilisation of the Sekhukhune College continues to be a cause for concern. We will continue to engage with relevant stakeholders to find a solution in this regard.

(d) Sustainable Rural Development and land reform

On the 27th January 2011, a substantial stride has been made. The DFA (Development Facilitation Act) approval has been granted to the Fetakgomo Local Municipality (FTM) in respect of portion 2 of the Farm Hoeraroep/515KS. The specific sub-problem statement in this regard is the unserved

and undeveloped area/land earmarked for Township Establishment. A concept paper to mitigate/remedy the situation has been developed in this regard. The restoration of the land available for development has always been integral part of our struggle for “Socio-Economic Freedom”. In this regard, we are engaging various stakeholders for developmental services on the acquired land. We still count on the corporation of the leaders of institutions of traditional rule (Magoshi). The long and short of this IDP/Budget is Sustainable Rural Development which encompasses a whole range of aspects and themes i.e socio-economic issues, basic services, community safety etc.

As emphasised in the 2011 Local Government Elections Manifesto of the Ruling Party, the ANC led-Fetakgomo Local Municipality commits itself to – (i) build local economies to create more employment decent work and sustainable livelihoods, (ii) improve local public services and broaden access to them, (iii) build more united, non-racial, integrated and safer communities, (iv) promote more active community participation in local government, and (v) ensure more effective, accountable and clean local government that works together with national and provincial government.

Through the document, we are strengthening our commitment to:

Make Local Government Work Better for You;

The Inclusive Agenda to Create Decent Work and Sustainable Livelihood;

Issues of Education, Health, Rural Development, Food Security and Land Reform;

Delivery (effective implementation) and Acceleration of Service Delivery; and

The Quest to Push back the Frontiers of Poverty.

This IDP/Budget must therefore give hope to the entirety of our local citizenry that, indeed, we are hard at work to remedy the triple challenges as stated in the introductory fragments of this Mayoral Foreword. Perhaps, the words of the founding President of the ANC Women’s League Charlotte Maxeke say volume “This work is not for yourselves – kill that spirit, and do not live above your people, but live with them”.

With All Our People, Working Together We Can Do More in Sustainable Rural Development!

By Her Worship,

The Mayor
Cllr Raesetse Elizabeth Sefala

March 2013

1.3 Council Resolutions

The Mayor of the municipality Councillor Raesetja Sefala hereby tables the following resolutions for approval. That Council adopts

- 1.2. the draft annual budget of the municipality for the financial year 2013/14 to 2015/2016 as summarised in tabled A1*
- 1.2.1. the draft Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in table A2*
- 1.2.2. the draft Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in table A3*
- 1.2.3. the draft budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4*
- 1.2.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5*
- 1.3. The draft financial position as contained in table A6.*
- 1.4. The draft budgeted cash flow as contained in table A7*
- 1.5. The draft budget cash backed reserves/ accumulated funds as contained in table A8*
- 2. The Council of Fetakgomo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:*
 - 2.1. The tariffs as set out in table 17.*
 - 2.2 the draft budget related policies as tabled in annexure A*
- 3 Fetakgomo council consider borrowing to finance capital asset acquisition to the amount of R 6 000 000 for financing of capital assets.*
 - 3.1 that council allow management to obtain quotations from financial institutions for the borrowing of R 6 000 000 repayable in 36 months*
 - 3.2 that council consult the community regarding the intended borrowing and receive community consent.*
 - 3.3 that council obtains concurrence from the National Treasury regarding the intended borrowing.*

1.4 EXECUTIVE SUMMARY

Fetakgomo local municipality has in preparation and compilation of this budget compiled with the Municipal Budgeting and Reporting Regulation (MBRR) notice no 31804 of 2009, the provisions of the MFMA, the provisions of the MSA and various budget circulars which guide the process, content and the format of municipal budgets. The budget provides comparative financial over a seven year period horizon commencing in the 2008/2009 budget year to 2015/16 budget year.

The Minister of Finance had these to say in his 2013/14 budget speech regarding the economic conditions in the country “ As we pointed out in the 2012 Budget, global economic uncertainty will remain with us for some time. South Africa’s economic outlook is improving, but requires that we actively pursue a different trajectory if we are to address the challenges ahead.

The economy is projected to grow, but at a slower rate than projected at the time of the 2012 Budget. GDP growth reached 2.5 per cent in 2012 and is expected to grow at 2.7 per cent in 2013, rising to 3.8 per cent in 2015. Inflation has remained moderate, with consumer prices rising by 5.7 per cent in 2012 and projected to increase by an average of 5.5 per cent a year over the period ahead.

The municipality has taken these projections into account in preparing this budget. We become more conservative in our revenue collection rates while expecting the community to demand more assistance from the municipality.

Overview of the 2014 budget

The municipality has little room to make choices as the budget continues to be under pressure due to slow or little revenue growth while the cost of doing business increases exponentially.

The budget for appropriated is R 95,8 million in 2013/14 increasing to R101,7 and R 108,6 million in 2014/15 and 2015/16 budget years respectively.

It is important to note that the budget was R26,472 million in 2008/09 financial year which means it has increased by 214% by 2013/14 and will increase by a further 60% by 2015/16 budget year. The increases are due to large revenue transfers from National government after the institution of revised local government equitable share formula.

1.4.1 Operating budget framework

Fetakgomo local municipality has in preparation and compilation of this budget compiled with the Municipal Budgeting and Reporting Regulation (MBRR) notice no 31804 of 2009, the provisions of the MFMA, the provisions of the MSA and various budget circulars which guide the process, content and the format of municipal budgets. The budget provides comparative financial over a seven year period horizon commencing in the 2009/2010 budget year to 2015/16 budget year.

The following assumptions were used in compiling the budget;

- Ensuring that expenditure is aligned to revenue and that the municipality has sufficient cash to finance the expenditure as in section 18 of MFMA;*
- Ensure that the municipality avoids excessive borrowings as the municipality will not be able to service the debt due to the dependence on grant revenue;*
- Ensure that the municipality maintains sufficient reserves for rainy days and capital expansion.*
- Ensure that the budget respond to priorities enlisted in the IDP.*
- Review of all programmes and cost centres to minimise wastage, maximise efficient and accelerate service delivery;*
- Reprioritisation of expenditure programmes to curb the growing personnel expenditure.*

MTREF

- *Ensure that services are cost reflective, affordable and sustainable.*
- *Ensure that realistic revenue targets are set to ensure that the funded is funded.*
- *Follow the national guide on salary and CPI projections.*
- *Propose borrowing of five million which will be used to finance capital assets for service delivery and be repaid within the next three budget years.*

Table 1: Consolidated Overview of the 2013/14 MTREF

	Adjusted Budget 2013/14 Budget year	Proposed Budget 2013/14 Budget	Estimate 2015/16	Estimate 2015/16
Revenue	64 757	68 413	81 462	103 811
Expenditure	64 667	72 379	77 658	84 233
Surplus/ (Deficit) excluding capital contributions	90	-3 965	3 804	19 578
Capital grants & transfers	17910	19 041	20 544	21 814
Capital budget	22 228	23 507	24 072	24 450

The budget for appropriated is R 95,8 million in 2013/14 increasing to R101,7 and R 108,6 million in 2014/15 and 2015/16 budget years respectively.

Operating expenditure amounts to R72 million and capital expenditure is R 23,5 million for 2013/14 budget increasing to R77,6 and R84,2 million in 2014/15 and 2015/16 respectively.

Operating expenditure has a deficit of R 3.9 million and an additional R 4,4 million will be used to finance capital expenditure from accumulated funds. This takes the total budget from the accumulated funds/ reserves to R8,4 million.

National government has changed the equitable share funding formula which is now biased towards the poor municipality. This does not however mean the challenges of little budget viz huge infrastructure bag logs goes away. In effect, the equitable share is intended to cover the costs of free basic services provided by the municipality to the poor. The expectation is for the municipality to expand the net of poor households who deserve free basic services.

Equitable share has increased by R 6,8 million from R 46,1 million in 2012/13 to R52,9 million in 2013/14, 14,1 per cent will increase by a further R 32 million in the outer years which is 60 per cent. This new funding really help the municipality to sustain its budget and offer the much needed basic services.

.

MTREF

The budget will reverse the deficit in the coming years as shown by a budget surplus of R552 thousands in 2014/15 and even more surplus of R 15,6 million in 2015/16 budget year.

Capital transfers, which is MIG funding will be R19.9, R 21,4 and R 22.7 million over the medium term period. 4 per cent of the allocation has been included in the operating budget as project management and the remaining 96 per cent allocated to infrastructure projects as indicated in capital expenditure budget.

Table 2: Percentage revenue growth over the MTREF

Description	Ref	Current year		2013/14 Medium Term Revenue & Expenditure					
R thousand	1	Original Budget	Adjusted Budget	% Change	Budget Year 2013/14	% Change	Budget Year +1 2014/15	% Change	Budget Year +2 2015/16
Revenue By Source									
Property rates	2	900	3 900	333	4 000	3	5 000	25	5 500
Property rates - penalties & collection charges		20	42	110	21	-50	22	6	24
Service charges - refuse revenue	2	2 304	2 304	-	2 442	6	2 589	6	2 744
Service charges - other		202	271	34	119	-56	122	2	123
Rental of facilities and equipment		203	202	-0	269	33	285	6	294
Interest earned - external investments		900	900	-	1 298	44	1 433	10	1 539
Interest earned - outstanding debtors		66	66	-	70	6	74	6	79
Fines		200	200	-	212	6	225	6	238
Licenses and permits		2 500	2 500	-	1 800	-28	2 100	17	3 200
Agency services		750	750	-	795	6	800	1	848
Transfers recognized - operational		50 322	50 822	1	57 379	13	68 805	20	89 215
Other revenue	2	2 800	2 800	-	7	-100	8	8	8
Total Revenue (excluding capital transfers and contributions)		61 167	64 757	6	68 413	6	81 462	19	103 811

Revenue budget will grow by 6 per cent from 2013 adjusted budget 2014 budget and a further 6 per cent and 19 per cent in 2015 and 2016 budget years respectively. Revenue source property rates is being adjusted upward by 333 per cent during the adjustment budget but project at 18 per cent less for the 2014 budget. The revenue source increases in line with the phasing in of the property rates until they rates and fully phased in 2015/16 budget year.

The revenue projections for property rates and refuse removal have been matched by a substantial budget amount for provision of doubtful debts based on the revenue collection levels

1.4.2. Operating Revenue Framework

For Fetakgomo municipality to improve the quality of services provided to its citizens it needs to generate the required income. In these tough economic times strong revenue management is fundamental to the financial stability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence the difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The receivers of our services have an obligation to pay for the services they receive so that the municipality continues to offer such services.

The municipality's revenue strategy is built around the following key components;

- *National treasury's key guidelines and macroeconomic policy;*
- *Growth in the municipality's continued economic development*
- *Efficient revenue management, which aims to ensure that billed revenue is collected*
- *Achievement of full cost recovery of specific user charges especially in relation to trading services;*
- *Determining the tariff escalation rate by calculating the revenue requirement of each service;*
- *The municipality's property rates policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004)(MPRA)*
- *The municipality's indigent policy and rendering of free basic services; and*
- *Tariff policies of the municipality*

Table 3: Consolidated Revenue Overview**LIM474 Fetakgomo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue By Source										
Property rates	2	–	–	879	900	3 900	3 900	4 000	5 000	5 500
Property rates - penalties & collection charges				33	20	42	42	21	22	24
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	2 141	2 304	2 304	2 304	2 442	2 589	2 744
Service charges - other		264	195		202	271	271	119	122	123
Rental of facilities and equipment		143	145	153	203	202	202	269	285	294
Interest earned - external investments		718	724	1 044	900	900	900	1 298	1 433	1 539
Interest earned - outstanding debtors					66	66	66	70	74	79
Dividends received						–	–			
Fines				997	200	200	200	212	225	238
Licences and permits		141	264	1 858	2 500	2 500	2 500	1 800	2 100	3 200
Agency services			371	224	750	750	750	795	800	848
Transfers recognised - operational		29 408	36 760	44 408	50 322	50 822	50 822	57 379	68 805	89 215
Other revenue	2	236	2 114	–	2 800	2 800	2 800	7	8	8
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		30 911	40 572	51 737	61 167	64 757	64 757	68 413	81 462	103 811

Property rates

Municipal Property Rates Act will be in the third year of implementation in 2013/14. In terms of the Act, 75% per cent of the whole rate will be levied. The process has started markedly slow due to weak revenue management measures. New measures and capacity will be added to ensure that billed revenue is collected. This budget has however taken a pessimistic view wherein only 5% of the billed revenue is expected to be collected based on the current year trends.

A proposal has being made to remove the reduction of R85 000 which was initially offered to local businesses. This is informed by the fact that the bills reflect a very small amount wherein the municipality loses substantially on revenue forgone.

The following stipulations in the Property Rates Policy are highlighted;

- The first R15 000 of the market value of property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). The reduction of R85 000 which was initially offered will be reversed through a policy review*
- 100 per cent rebate will be granted to registered indigents in terms of indigent policy;*
- 30 per cent rebate will be granted on all public service infrastructure*
- The municipality may award a 100 per cent grant in aid on the assessment rates of rateable properties of certain classes such as registered welfare organisations, institutions or organisations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.*
- The property rates will be in the third phase of implementation which means 75% of the entire rate will be levied for 2013/14 budget year.*

Refuse removal and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The main contributors to this deficit are very little revenue collection while the cost of providing the service runs into millions posing a long term risk.

Refuse removal performance has been dismal like property rates taxes wherein only less than 5% of the billed revenue has been collected. There where challenges such as; poor community consultations, poor household data, poor refuse collection and so forth. These challenges are being attended to and we expect an improvement and positive response in the coming year. There will a debit a dedicated revenue management team which will follow up on outstanding debts and an appointment of a professional company dealing with debtors collection of all debts owing more than 120 days.

.Traffic function

Traffic function which has been fully devolved to the municipality is the second most collectible revenue source following grants. The charges for traffic include renewal of motor vehicle licenses and learner driver licenses while a drivers testing station are expected to be completed in during 2013/14.

Grant funding

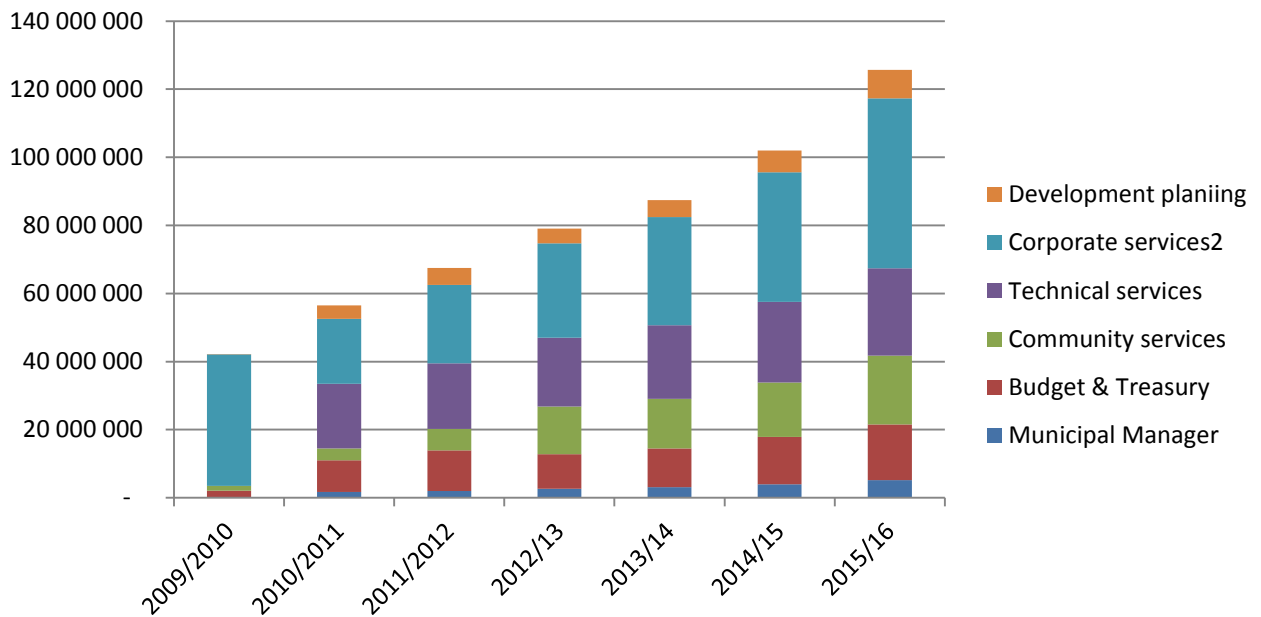
Revenues from the government grants; equitable share, Municipal Finance Management Grant (FMG), Municipal Systems Improvement Grant (MSIG) and EPWP incentive Grant are reliable and constitute more than 88 per cent of the budgeted revenue. This means only less than 12 per cent of the revenue may fluctuate giving the municipality certainty on its expenditures and better planning.

A combined budgeted revenue from traffic function amounts to R 2.8 million which will be received from agency fees, traffic fines and permits.

Other Revenue

National treasury has indicated that VAT refunds from grant expenditure should be treated as own revenue but not a revenue source. This made the budget for other revenue to reduce substantially based on reclassification of VAT refunds. The refunds are not a revenue source but rather a cash item which finance operations.

VAT refunds contributes substantial cash flows to the municipality in the region of R2,7 to R4 million per year mainly from Grand funded expenditure.

Chart 1: Operating revenue chart per vote

Grant Receipts

Table 4 LIM474 Fetakgomo - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		31 743	35 052	–	50 322	50 322	50 322	57 379	68 805	89 215
Local Government Equitable Share		29 912	33 103		46 115	46 115	46 115	52 946	65 115	85 239
Finance Management		1 020	1 250		1 500	1 500	1 500	1 650	1 800	1 950
Municipal Systems Improvement		715	669		800	800	800	890	934	967
MIG operationg grant					780	780	780	793	856	909
EPWP Incentive					1 012	1 012	1 012	1 000	–	–
LGSETA		95	30		115	115	115	100	100	150
Provincial Government:		–	300	–	–	–	–	–	–	–
Housing			300							
District Municipality:	5	424	1 107	–	–	500	500	–	–	–
Ward Committee		424	1 107			500	500			
Total Operating Transfers and Grants	5	32 167	36 459	–	50 322	50 822	50 822	57 379	68 805	89 215
<u>Capital Transfers and Grants</u>	5									
National Government:		11 790	–	–	17 910	17 910	17 910	19 042	20 545	21 814
Municipal Infrastructure Grant (MIG)		11 790			17 910	17 910	17 910	19 042	20 545	21 814
Total Capital Transfers and Grants	5	11 790	–	–	17 910	17 910	17 910	19 042	20 545	21 814
TOTAL RECEIPTS OF TRANSFERS & GRANTS		43 957	36 459	–	68 232	68 732	68 732	76 421	89 350	111 029

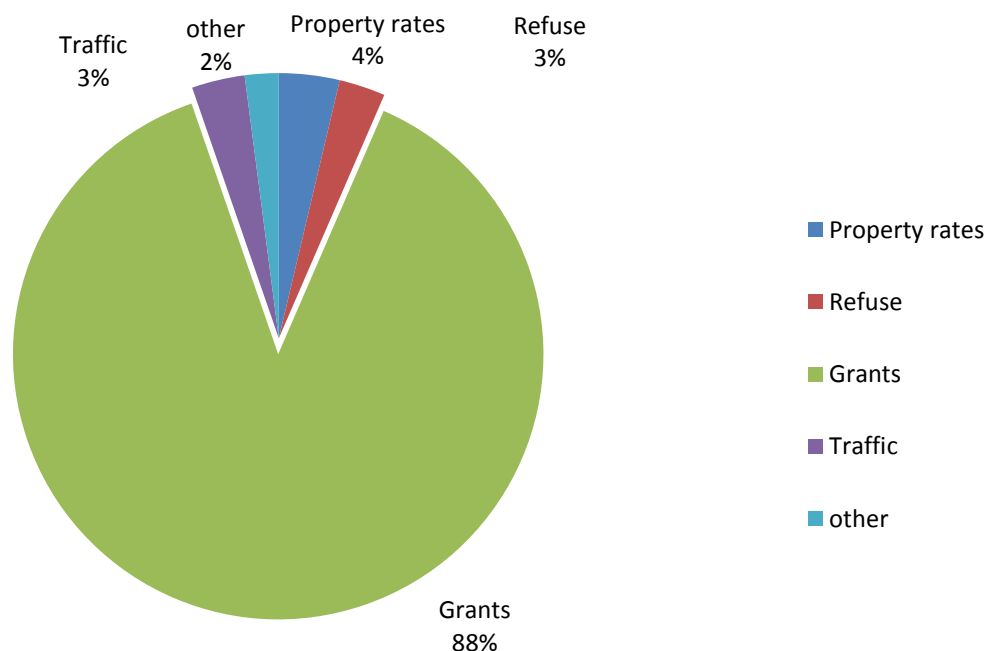
The budget figures shows that total grants allocation from the National government of will be R 76 421, R 89 350 and R 111 029 million in 2013/14, 2014/15 and 2015/16 respectively.

The grant revenue constitutes 88of the total budget for 2013/14 budget year.

Capita grant (MIG) will be R 19 042, R20 545 and R21 814 over the medium term.

The revised equitable share funding formula is favourable to the municipality and will reduce pressure on the municipal finances over the medium to long term.

Chart 2: Revenue per source chart



As indicated in the graph above, revenue composition is made up as follows;

Grants	88%
Refuse	3%
Traffic	3%
Property rates	4%
Other services	2%

The graph indicates an over reliance on grant revenue at 88 per cent effectively meaning only 12 per cent is regarded as own revenue.

This represent a reversal from the previous year budget where 17 per cent of the budget revenue was own revenue. This is informed by a more realistic revenue collection based on the domestic economic conditions.

1.4.3. Operating Expenditure Framework

The municipality's expenditure framework for 2013/14 budget and MTREF is informed by the following;

- *Review and prioritisation of expenditure programmes based on impact assessment*
- *Funding of the budget over the medium term as informed by section 18 and 19 of the MFMA;*
- *Additional human resources will only be considered as a last resort;*
- *Operational gains and efficiencies will be directed to funding the capital budget and other core services;*
- *Salary increases budgeted at 7 per cent which 0,5 per cent above what National Treasury projects*
- *Provision for doubtful debts is increased to 95% based on collection levels of the current year. This provision should not suggest that council is giving up on efforts to collect revenue from property rates or refuse removal.*
- *The indigent register has been reviewed, an exercise that resulted in half of the beneficiaries dropping from the list as their conditions of living had improved. It is based on these understanding that the budget is left unchanged at 2011 budget figures although electricity costs have gone up.*
- *While the operating expenses are rising annually, the budget is considering various ways of reducing recurring expenditure by promoting the green economy, monitoring travelling expensive and removing the nice to have altogether.*
- *Service delivery programmes have being evaluated and additional funds provided where necessary.*

- All revenue projections are based on trends except where the revenue from national or provincial government in which case has been gazetted.
- Funding for capital expenditure takes into account the availability of funding. The capital budget is mainly funded by grant revenue 81 per cent and accumulated funds 19 per cent.

Table 5: Summary of operating expenditure by standard classification item

LIM474 Fetakgomo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type	–									
Employee related costs	2	14 896	18 772		26 658	27 583	27 583	30 105	32 219	34 861
Remuneration of councillors		5 626	5 737		7 006	6 856	6 856	7 357	7 872	8 501
Debt impairment	3		44		2 358	4 800	4 800	6 414	7 460	8 066
Depreciation & asset impairment	2	1 673	2 018		1 824	2 824	2 824	3 270	3 760	4 136
Finance charges		66	193		85	85	85	89	95	100
Bulk purchases	2	836	1 038		1 300	1 300	1 300	1 500	1 700	1 870
Other materials	8									
Contracted services		910	873		1 914	2 554	2 554	2 900	3 190	3 509
Transfers and grants		–	–		–	–	–	–	–	–
Other expenditure	4, 5	9 498	12 324		17 128	18 665	18 665	20 743	21 363	23 189
Loss on disposal of PPE										
Total Expenditure		33 506	40 998		58 273	64 667	64 667	72 379	77 658	84 233

The total operating budget amount to R 72 379 million for 2013/13 budget year and increases to R 77 658 and R84 233 million over the next two years.

A substantial provision of R 6.4 million or 95 per cent has been made for doubtful debts regarding property rates and refuse removal based on the current collection levels.

Employee cost has been adjusted upward based on the result of the adjustment budget which indicated that the salary bill was under budgeted.

A budget amount of R 1.5 million is allocated for free basic electricity while the municipality also provide free basic refuse to indigent households.

Councillor remuneration is in line with the upper limits as determined by the minister of Cooperative Governance and Traditional Affairs budgeted at R7.3 million

Provision for depreciation has also been budgeted upward based on the recent asset value to R 3.2 million

Key expenditure programmes for implementation include;

- *Continued implementation of Expanded Public Works Programme which employs at least 232 people from poor families.*
- *Strengthening of the ward committee system of local government through re-training and skilling, provision of tools of trade and payment of stipends.*
- *Programmes that improve the conditions of youth, people with disabilities, the elderly, children and women.*
- *Provision of bursaries to needy and deserving learners.*
- *Support of sport and arts programmes*
- *Support of local entrepreneurs and cooperative through capital injection.*
- *Improving measures to prevent fraud, risk management and improve governance.*
- *Improvement of the revenue collection through better and improved billing systems*
- *Provision of funds to strengthen the traffic management and the licensing divisions*
- *Improvement of the refuse removal service through provision of adequate assets and infrastructure for effective collection.*
- *Allocation for free basic electricity to needy households in line with the municipality's indigent management policies.*
- *Support of local farming initiatives, tourism and local economic development.*

Depreciation of assets by asset class**Table 5 LIM474 Fetakgomo - Supporting Table SA34d Consolidated Depreciation by asset class**

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		1 673	1 997	3 324	–	–	–	1 111	1 278	1 406
Infrastructure - Other		1 673	1 997	3 324	–	–	–	1 111	1 278	1 406
Waste Management										
Transportation										
Gas										
Other		1 673	1 997	3 324				1 111	1 278	1 406
<u>Community</u>		–	–	–	–	–	–	400	460	506
Parks & gardens								400	460	506
Community halls										
<u>Other assets</u>		–	–	–	2 030	–	–	1 759	2 022	2 225
General vehicles					206			411	473	520
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment										
Computers - hardware/equipment								174	200	220
Furniture and other office equipment								174	200	220
Other Buildings					1 824			1 000	1 150	1 265
Other Land										
Total Depreciation	1	1 673	1 997	3 324	2 030	–	–	3 270	3 760	4 136

LIM474 Fetakgomo - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		–	6	200	50	50	50	200	216	232
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	6	200	50	50	50	200	216	232
Waste Management			6	200	50	50	50	200	216	232
<u>Other assets</u>		268	443	444	579	429	429	572	822	889
General vehicles		46	73	80	150	150	150	174	337	364
Specialised vehicles		–	–	–	150	–	–	158	170	184
Furniture and other office equipment		20	40	150	50	50	50	100	56	61
Civic Land and Buildings		193	331	214	229	229	229	140	259	280
Total Repairs and Maintenance Expenditure	1	268	449	644	629	479	479	772	1 038	1 121

<u>Specialised vehicles</u>		–	–	–	150	–	–	158	170	184
Refuse					150			158	170	184

<u>R&M as a % of PPE</u>		0.6%	0.8%	0.8%	0.8%	0.6%	0.6%	0.8%	0.8%	0.7%
<u>R&M as % Operating Expenditure</u>		0.8%	1.1%	1.2%	1.1%	0.7%	0.7%	1.1%	1.3%	1.3%

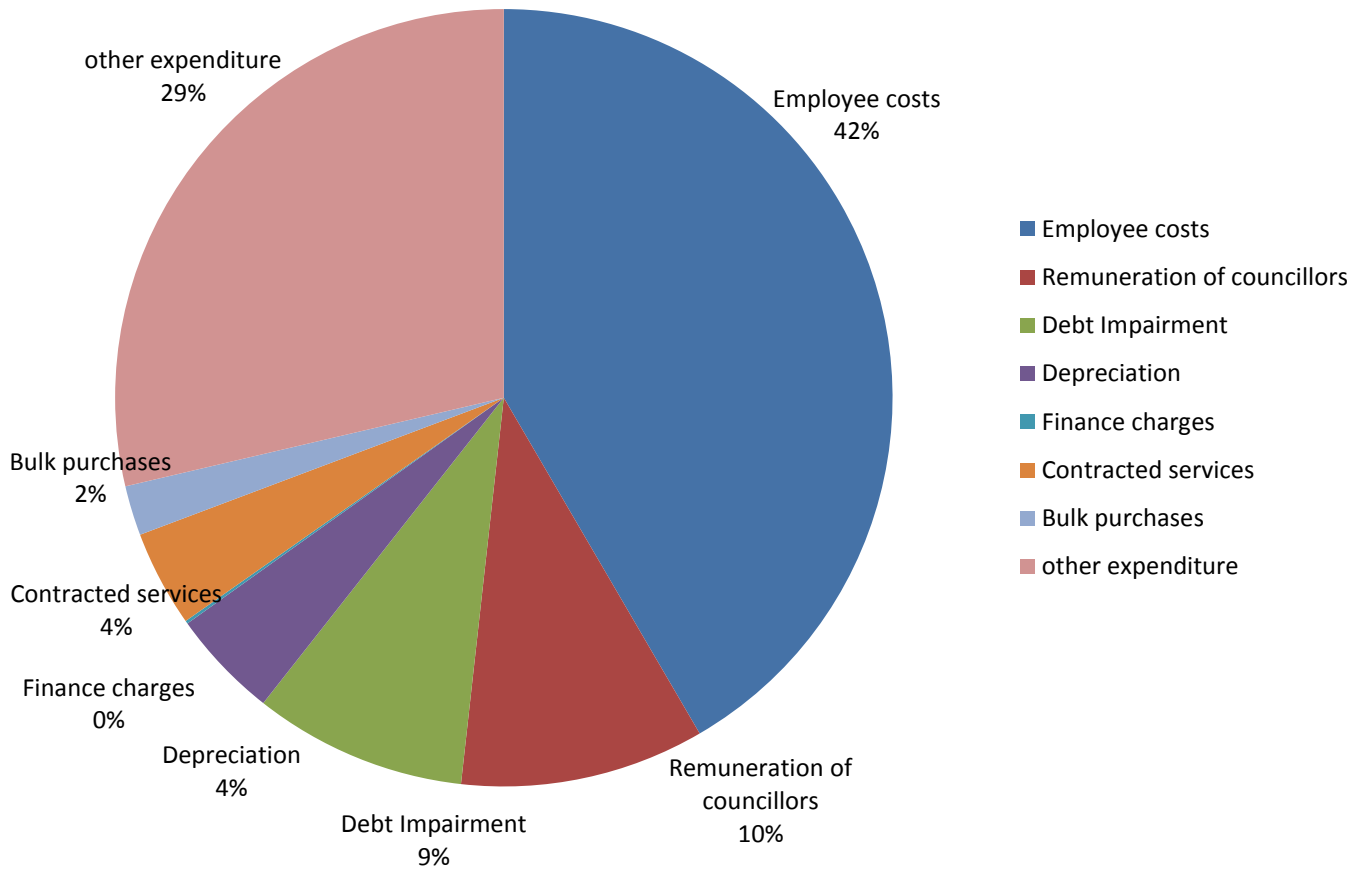
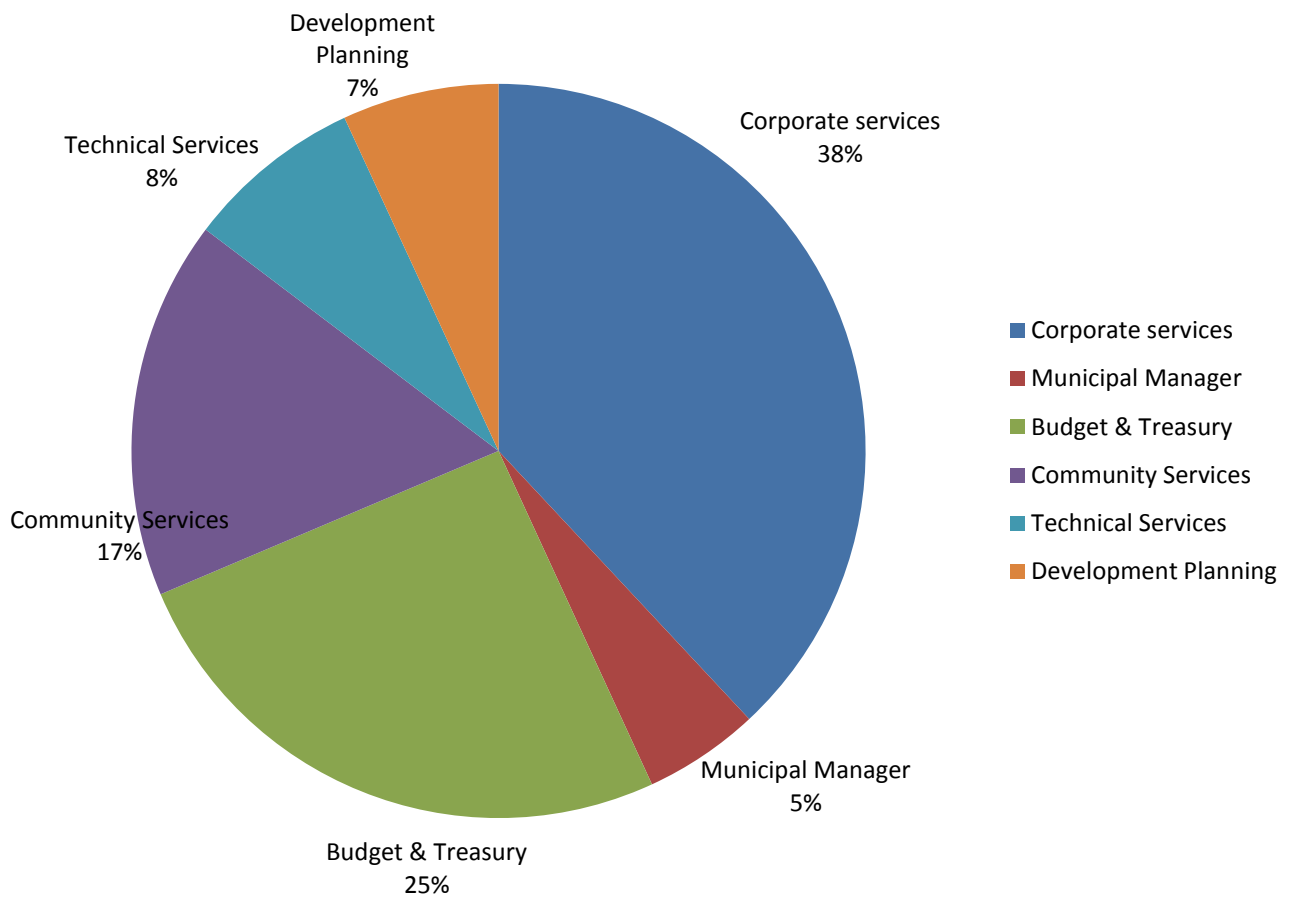
Chart 3: Expenditure per type chart

Chart 4: Operating expenditure per vote chart

1.5 Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote

Table 6: Consolidated Overview of Capital Expenditure Funding

LIM474 Fetakgomo - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote										
Single-year expenditure to be appropriated	2									
Vote 1 - CORPORATE SERVICES		1 243	9 774	3 627	615	615	615	780	2 050	250
Vote 2 - MUNICIPAL MANAGER		–	–	–	120	120	120	50	40	100
Vote 3 - BUDGET & TREASURY		–	–	108	500	500	500	310	100	100
Vote 4 - COMMUNITY SERVICES		2 574	–	3 997	14 023	14 023	14 023	20 365	4 225	10 600
Vote 5 - TECHNICAL SERVICES		8 413	5 065	4 872	6 874	6 874	6 874	1 982	17 557	13 350
Vote 6 - DEVELOPMENT PLANNING		–	–	–	–	–	–	20	100	50
Capital single-year expenditure sub-total		12 230	14 839	12 603	22 133	22 133	22 133	23 507	24 072	24 450
Total Capital Expenditure - Vote		12 230	14 839	12 603	22 133	22 133	22 133	24 647	24 162	24 450
Capital Expenditure - Standard										
Governance and administration		1 243	9 774	3 735	1 235	1 235	1 235	1 140	2 190	450
Executive and council					120	120	120	50	40	100
Budget and treasury office				108	500	500	500	310	100	100
Corporate services		1 243	9 774	3 627	615	615	615	780	2 050	250
Community and public safety		2 574	–	3 997	14 023	14 023	14 023	20 365	4 225	10 600
Community and social services		2 574	–	3 997	14 023	14 023	14 023	20 365	4 225	10 600
Economic and environmental services		8 413	5 065	4 872	6 874	6 874	6 874	2 002	17 657	13 400
Planning and development		8 413	5 065	4 872	6 874	6 874	6 874	2 002	17 657	13 400
Total Capital Expenditure - Standard	3	12 230	14 839	12 603	22 133	22 133	22 133	23 507	24 072	24 450
Funded by:										
National Government		11 270	13 158	12 138	17 910	17 910	17 910	19 042	20 545	21 814
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital	4	11 270	13 158	12 138	17 910	17 910	17 910	19 042	20 545	21 814
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		960	1 681	465	4 222	4 222	4 222	4 465	3 527	2 636
Total Capital Funding	7	12 230	14 839	12 603	22 133	22 133	22 133	23 507	24 072	24 450

Table 7 LIM474 Fetakgomo - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		1 111	6 207	5 065	710	4 662	4 662	6 691	15 000	19 500
Infrastructure - Road transport		1 111	1 849	2 927	150	150	150	–	–	2 000
Roads, Pavements & Bridges		1 111	1 849	2 927	150	150	150	–	–	2 000
Storm water								–	–	–
Infrastructure - Electricity		–	2 034	416	505	4 512	4 512	5 191	10 500	17 500
Street Lighting			2 034	416	505	4 512	4 512	5 191	10 500	17 500
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	2 324	1 722	55	–	–	1 500	4 500	–
Waste Management			2 295	1 722	–	–	–	1 500	4 500	–
Other			30		55			–	–	–
Community		1 307	2 574	3 776	6 145	6 056	6 056	6 657	3 670	4 300
Parks & gardens								850		
Sportsfields & stadia					1 496	1 986	1 986	350		1 500
Swimming pools										
Community halls		1 283	2 008	546	3 949	2 903	2 903	4 197	470	
Libraries								–	2 200	2 800
Recreational facilities			539	3 230	500	800	800	–	–	–
Fire, safety & emergency		24	27		–	–	–	–	–	–
Cemeteries		–	–	–	200	300	300	400	–	–
Social rental housing								–	–	–
Other				–		68	68	860	1 000	–
Other assets		1 967	3 173	9 774	10 345	5 306	5 306	8 785	2 677	847
General vehicles			801	2 413	500			450		
Specialised vehicles		–	–	–	–	–	–	1 250	2 100	600
Plant & equipment		916	260	141	403	–	–			
Computers - hardware/equipment					700			200	–	–
Furniture and other office equipment		511	182	115	260			418	127	247
Abattoirs		–	–	–				–	–	–
Markets		–	–	–				–	–	–
Civic Land and Buildings		130	1 814	6 839	8 362	5 016	5 016	5 716	450	
Other Buildings		–	–		–	–	–	450	–	–
Other Land			116		–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)					–	–	–			
Other		411		266	120	290	290	300	–	–
Total Capital Expenditure on new assets	1	4 385	11 954	18 616	17 200	16 024	16 024	23 507	24 072	24 450

Performance indicators for capital budget

- *Number of high mast lights erected and number of villages provided with lights*
- *Percentage of communities with access to community halls*
- *Cemeteries upgraded with fencing and ablution facilities in the allocated timeframe.*
- *Percentage completion of the paving of the hawkers stalls in the allocated time frame.*
- *Percentage completion of the landfill site in the allocated timeframe.*
- *Construction of four new early childhood learning centres*
- *Percentage completion of new street lights erected*
- *Specialized vehicles for traffic control and refuse removal within the allocated timeframe.*
- *Acquisition of new furniture to the new building and the testing station.*
- *Acquisition of the dustbins for the community within the allocated timeframe.*
- *Percentage completion of the house numbering project.*
- *Number of youth and farming enterprises assisted.*
- *Number of SME seminars and trainings conducted*

The municipality will spend the entire capital budget constructing new capital assets than renewing existing assets. This is mainly due to the fact that the municipality does not own old or historic infrastructure which is dilapidated.

1.6. Annual Budget Tables-Parent Municipality

The following pages presents the main budget tables as required in terms of section 8 of the municipal budget and reporting regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by Council. Each table is accompanied by explanatory note on the next page.

MTREF

Table 8 LIM474 Fetakgomo - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands									
<u>Financial Performance</u>									
Property rates	–	–	912	920	3 942	3 942	4 021	5 022	5 524
Service charges	264	195	2 365	2 506	2 575	2 575	2 561	2 711	2 867
Investment revenue	718	724	1 149	900	900	900	1 298	1 433	1 539
Transfers recognised - operational	29 408	36 760	44 408	50 322	50 822	50 822	57 379	68 805	89 215
Other own revenue	521	2 894	4 192	6 519	6 518	6 518	3 153	3 491	4 667
Total Revenue (excluding capital transfers and contributions)	30 911	40 572	53 025	61 167	64 757	64 757	68 413	81 462	103 811
Employee costs	14 896	18 772	23 727	26 658	27 583	27 583	30 105	32 219	34 861
Remuneration of councillors	5 626	5 737	6 097	7 006	6 856	6 856	7 357	7 872	8 501
Depreciation & asset impairment	1 673	2 018	3 224	1 824	2 824	2 824	3 270	3 760	4 136
Finance charges	66	193	23	85	85	85	89	95	100
Materials and bulk purchases	836	1 038	1 147	1 300	1 300	1 300	1 500	1 700	1 870
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	10 408	13 242	17 581	21 400	26 019	26 019	30 058	32 013	34 764
Total Expenditure	33 506	40 998	51 798	58 273	64 667	64 667	72 379	77 658	84 233
Surplus/(Deficit)	(2 596)	(426)	1 227	2 895	90	90	(3 965)	3 804	19 578
Transfers recognised - capital	11 230	15 967	11 582	17 910	17 910	17 910	19 042	20 545	21 814
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 349	41 392
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 349	41 392
<u>Capital expenditure & funds sources</u>									
Capital expenditure	12 230	18 616	–	22 133	22 288	22 288	23 507	33 372	–
Transfers recognised - capital	11 270	16 935	–	17 910	17 910	17 910	19 042	20 545	21 814
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	960	1 681	–	4 222	4 377	4 377	4 465	12 827	–
Total sources of capital funds	12 230	18 616	–	22 133	22 288	22 288	23 507	33 372	21 814
<u>Financial position</u>									
Total current assets	14 457	11 671	19 092	12 739	–	–	8 646	9 395	42 943
Total non current assets	41 688	58 132	80 087	80 062	–	–	101 365	123 302	154 898
Total current liabilities	19 634	7 872	11 132	4 748	–	–	9 230	10 460	7 463
Total non current liabilities	55	129	2 181	568	–	–	4 000	2 000	223
Community wealth/Equity	36 455	61 802	85 866	87 485	–	–	96 782	120 237	190 155
<u>Cash flows</u>									
Net cash from (used) operating	12 538	16 091	12 169	21 069	18 100	18 100	18 061	27 704	45 010
Net cash from (used) investing	(12 006)	(18 528)	(11 382)	(17 706)	(23 152)	(23 152)	(23 507)	(23 371)	(31 814)
Net cash from (used) financing	(96)	141	(58)	(141)	(141)	(141)	(2 000)	(2 000)	(2 000)
Cash/cash equivalents at the year end	10 394	8 098	8 827	12 050	6 857	6 857	1 762	5 263	16 459
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	11 112	9 605	14 027	8 577	–	–	1 726	1 399	34 500
Application of cash and investments	19 420	9 177	9 909	5 837	–	–	4 211	5 116	1 674
Balance - surplus (shortfall)	(8 309)	429	4 118	2 740	–	–	(2 485)	(3 717)	32 826

Explanatory notes to MBRR table A1-Budget Summary

1. *Table A1 is a budget summary and provides a concise overview of the budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).*
2. *The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.*
3. *Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessments of the financial performance, financial position and cash flow budgets, along with the capital budget. The budget summary provides the key information in this regard;*
 - a. *The operating surplus/deficit (after total expenditure) is positive over the MTREF*
 - b. *Capital expenditure is balanced by capital by capital funding sources, of which*
 - i. *Transfers recognised is reflected on the financial performance budget*
 - ii. *Borrowing is incorporated in the net cash from financing on the cash flow budget*
 - iii. *Internally generated funds are financed from a combination of the current operating surplus and accumulated cash backed surplus from previous years. The amount is incorporated in the net cash from investing on the cash flow budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital budget.*
4. *Municipality continue to cater for free basic services to the indigent residents. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2030 the will have nearly being eliminated.*

Table 9 LIM474 Fetakgomo - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
<i>Governance and administration</i>		41 628	30 012	37 015	40 446	43 488	43 488	46 274	55 932	71 365
Executive and council		–	1 730	2 028	2 693	2 693	2 693	3 092	3 932	5 147
Budget and treasury office		1 155	9 254	11 882	10 072	13 114	13 114	11 418	13 899	16 382
Corporate services		40 472	19 028	23 105	27 681	27 681	27 681	31 764	38 100	49 836
<i>Community and public safety</i>		512	3 537	6 273	14 036	14 582	14 582	14 561	16 048	20 257
Community and social services		512	3 537	6 273	14 036	14 582	14 582	14 561	16 048	20 257
<i>Economic and environmental services</i>		–	22 990	20 749	24 596	24 597	24 597	26 620	30 027	34 001
Planning and development		–	22 990	20 749	24 596	24 597	24 597	26 620	30 027	34 001
Total Revenue - Standard	2	42 140	56 539	64 036	79 078	82 667	82 667	87 455	102 007	125 623
Expenditure - Standard	–									
<i>Governance and administration</i>		28 098	30 295	33 771	38 611	43 440	43 440	49 662	53 295	57 879
Executive and council		2 238	1 829	2 902	2 982	2 860	2 860	3 692	3 966	4 284
Budget and treasury office		5 563	8 516	10 546	9 893	12 490	12 490	18 441	20 416	22 139
Corporate services		20 297	19 950	20 322	25 736	28 090	28 090	27 529	28 913	31 456
<i>Community and public safety</i>		–	4 016	7 824	10 462	11 685	11 685	12 077	13 044	14 087
Community and social services		–	4 016	7 824	10 462	11 685	11 685	12 077	13 044	14 087
<i>Economic and environmental services</i>		5 408	6 687	9 633	9 199	9 542	9 542	10 639	11 321	12 272
Planning and development		5 408	6 687	9 633	9 199	9 542	9 542	10 639	11 321	12 272
Total Expenditure - Standard	3	33 506	40 998	51 228	58 273	64 667	64 667	72 379	77 660	84 237
Surplus/(Deficit) for the year		8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 347	41 386

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. The municipal revenue, operating expenditure and capital expenditure are then classified in terms of these functional areas which enable the National Treasury to compile “whole government reports”.
2. Note the total revenue on this table includes capital revenues and so does not balance to the operating revenue shown on table A4.
3. Note that as a general principle the revenues for trading should exceed their expenditures. Other functions that show a deficit between revenue and expenditure are being financed from other revenues and accumulated cash backed surplus.

Table 10 LIM474 Fetakgomo - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES		40 472	19 028	23 105	27 681	27 681	27 681	31 764	38 100	49 836
Vote 2 - MUNICIPAL MANAGER		–	1 730	2 028	2 693	2 693	2 693	3 092	3 932	5 147
Vote 3 - BUDGET & TREASURY		1 155	9 254	11 882	10 072	13 114	13 114	11 418	13 899	16 382
Vote 4 - COMMUNITY SERVICES		512	3 537	6 773	14 036	14 582	14 582	14 561	16 048	20 257
Vote 5 - TECHNICAL SERVICES		–	18 988	15 303	20 228	20 228	20 228	21 601	23 646	25 663
Vote 6 - DEVELOPMENT PLANNING		–	4 003	4 946	4 368	4 369	4 369	5 019	6 381	8 338
Total Revenue by Vote	2	42 140	56 539	64 036	79 078	82 667	82 667	87 455	102 007	125 623
Expenditure by Vote to be appropriated	1									
Vote 1 - CORPORATE SERVICES		20 297	19 950	20 322	25 736	28 090	28 090	27 529	28 913	31 456
Vote 2 - MUNICIPAL MANAGER		2 238	1 829	2 902	2 982	2 860	2 860	3 692	3 966	4 284
Vote 3 - BUDGET & TREASURY		5 563	8 516	10 546	9 893	12 490	12 490	18 441	20 416	22 139
Vote 4 - COMMUNITY SERVICES		–	4 016	7 824	10 462	11 685	11 685	12 077	13 044	14 087
Vote 5 - TECHNICAL SERVICES		–	3 274	4 471	4 663	4 615	4 615	5 649	5 919	6 438
Vote 6 - DEVELOPMENT PLANNING		5 408	3 413	5 162	4 536	4 926	4 926	4 990	5 401	5 834
Total Expenditure by Vote	2	33 506	40 998	51 228	58 273	64 667	64 667	72 379	77 660	84 237
Surplus/(Deficit) for the year	2	8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 347	41 386

Table 11 LIM474 Fetakgomo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	R ef	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue By Source										
Property rates	2	–	–	879	900	3 900	3 900	4 000	5 000	5 500
Property rates - penalties & collection charges				33	20	42	42	21	22	24
Service charges - refuse revenue	2	–	–	2 141	2 304	2 304	2 304	2 442	2 589	2 744
Service charges - other		264	195	224	202	271	271	119	122	123
Rental of facilities and equipment		143	145	153	203	202	202	269	285	294
Interest earned - external investments		718	724	1 149	900	900	900	1 298	1 433	1 539
Interest earned - outstanding debtors					66	66	66	70	74	79
Dividends received						–	–			
Fines				997	200	200	200	212	225	238
Licences and permits		141	264	1 858	2 500	2 500	2 500	1 800	2 100	3 200
Agency services			371	224	750	750	750	795	800	848
Transfers recognised - operational		29 408	36 760	44 408	50 322	50 822	50 822	57 379	68 805	89 215
Other revenue	2	236	2 114	960	2 800	2 800	2 800	7	8	8
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		30 911	40 572	53 025	61 167	64 757	64 757	68 413	81 462	103 811
Expenditure By Type										
Employee related costs	2	14 896	18 772	23 727	26 658	27 583	27 583	30 105	32 219	34 861
Remuneration of councillors		5 626	5 737	6 097	7 006	6 856	6 856	7 357	7 872	8 501
Debt impairment	3		44	1 000	2 358	4 800	4 800	6 414	7 460	8 066
Depreciation & asset impairment	2	1 673	2 018	3 224	1 824	2 824	2 824	3 270	3 760	4 136
Finance charges		66	193	23	85	85	85	89	95	100
Bulk purchases	2	836	1 038	1 147	1 300	1 300	1 300	1 500	1 700	1 870
Other materials	8									
Contracted services		910	873	1 901	1 914	2 554	2 554	2 900	3 190	3 509
Transfers and grants		–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	9 498	12 324	14 679	17 128	18 665	18 665	20 743	21 363	23 189
Loss on disposal of PPE										
Total Expenditure		33 506	40 998	51 798	58 273	64 667	64 667	72 379	77 658	84 233
Surplus/(Deficit)		(2 596)	(426)	1 227	2 895	90	90	(3 965)	3 804	19 578
Transfers recognised - capital		11 230	15 967	11 582	17 910	17 910	17 910	19 042	20 545	21 814
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 349	41 392
Taxation										
Surplus/(Deficit) after taxation		8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 349	41 392
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 349	41 392
Share of surplus/ (deficit) of associate	7									
Surplus/(Deficit) for the year		8 634	15 541	12 809	20 805	18 000	18 000	15 077	24 349	41 392

Table 12 LIM474 Fetakgomo - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Single-year expenditure to be appropriated	2										
Vote 1 - CORPORATE SERVICES		1 243	9 774	–	615	615	615	–	780	2 050	250
Vote 2 - MUNICIPAL MANAGER		–	–	–	120	120	120	–	50	40	100
Vote 3 - BUDGET & TREASURY		–	–	–	500	500	500	–	310	100	100
Vote 4 - COMMUNITY SERVICES		2 574	–	–	14 023	14 023	14 023	–	20 365	4 225	10 600
Vote 5 - TECHNICAL SERVICES		8 413	5 065	–	6 874	6 874	6 874	–	1 982	17 557	13 350
Vote 6 - DEVELOPMENT PLANNING		–	–	–	–	–	–	–	20	100	50
Capital single-year expenditure sub-total		12 230	14 839	–	22 133	22 133	22 133	–	23 507	24 072	24 450
Total Capital Expenditure - Vote		12 230	14 839	–	22 133	22 133	22 133	–	24 647	24 162	24 450
Capital Expenditure - Standard											
Governance and administration		1 243	9 774	–	1 235	1 235	1 235	–	1 140	2 190	450
Executive and council					120	120	120		50	40	100
Budget and treasury office					500	500	500		310	100	100
Corporate services		1 243	9 774		615	615	615		780	2 050	250
Community and public safety		2 574	–	–	14 023	14 023	14 023	–	20 365	4 225	10 600
Community and social services		2 574	–	–	14 023	14 023	14 023		20 365	4 225	10 600
Economic and environmental services		8 413	5 065	–	6 874	6 874	6 874	–	2 002	17 657	13 400
Planning and development		8 413	5 065	–	6 874	6 874	6 874		2 002	17 657	13 400
Total Capital Expenditure - Standard	3	12 230	14 839	–	22 133	22 133	22 133	–	23 507	24 072	24 450
Funded by:											
National Government		11 270	13 158		17 910	17 910	17 910		19 042	20 545	21 814
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	11 270	13 158	–	17 910	17 910	17 910	–	19 042	20 545	21 814
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		960	1 681		4 222	4 222	4 222		4 465	3 527	2 636
Total Capital Funding	7	12 230	14 839	–	22 133	22 133	22 133	–	23 507	24 072	24 450

Table 13 LIM474 Fetakgomo - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		253	866	14 027	8 577	8 577	8 577		226	847	2 500
Call investment deposits	1	10 859	8 739	–	–	–	–	–	1 500	552	32 000
Consumer debtors	1	176	112	2 084	3 812	3 812	3 812	–	6 780	7 830	8 230
Other debtors		2 985	1 842	1 137	264	264	264				
Current portion of long-term receivables				1 698							
Inventory	2	184	111	146	86				140	166	213
Total current assets		14 457	11 671	19 092	12 739	12 653	12 653	–	8 646	9 395	42 943
Non current assets											
Long-term receivables											
Investments											
Investment property				320							
Investment in Associate											
Property, plant and equipment	3	41 688	58 132	79 767	80 062	80 062	80 062	–	101 365	123 302	154 898
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		41 688	58 132	80 087	80 062	80 062	80 062	–	101 365	123 302	154 898
TOTAL ASSETS		56 145	69 803	99 179	92 801	92 715	92 715	–	110 012	132 697	197 841
LIABILITIES											
Current liabilities											
Bank overdraft	- 1										
Borrowing	4	73	140	95	267	267	267	–	2 000	2 000	2 000
Consumer deposits											
Trade and other payables	4	19 561	7 732	11 037	4 481	4 481	4 481	–	4 230	3 653	3 260
Provisions											
Total current liabilities		19 634	7 872	11 132	4 748	4 748	4 748	–	6 230	5 653	5 260
Non current liabilities											
Borrowing		55	129	327	568	568	568	–	4 000	2 000	223
Provisions		–	–	1 854	–	–	–	–	–	–	–
Total non current liabilities		55	129	2 181	568	568	568	–	4 000	2 000	223
TOTAL LIABILITIES		19 690	8 001	13 313	5 316	5 316	5 316	–	10 230	7 653	5 483
NET ASSETS	5	36 455	61 802	85 866	87 485	87 399	87 399	–	99 782	125 044	192 358
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		36 455	61 802	85 866	87 485	87 399	87 399		99 782	125 044	192 358
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	36 455	61 802	85 866	87 485	87 399	87 399	–	99 782	125 044	192 358

Explanatory notes to Table A6-Budgeted Financial Position

- 1. Table A6 is consistent with international standards of good financial management practice and improves understanding of councillors and management of the impact of the budget on the statement of financial position.*
- 2. This format of presenting the statement of financial position is aligned to GRAP1, which generally aligns to the international version which presents Assets less Liabilities as “accounting” Community Wealth. Order of items within each group illustrates items in order of liquidity i.e assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.*
- 3. Table A6 is supported by an extensive table notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items including;*
 - Call investments deposits*
 - Consumer debtors*
 - Property, plant and equipment*
 - Trade and other payables*
 - Provision non-current*
 - Changes in net assets; and*
 - Reserves*

The municipal equivalent of equity is Community Wealth. The justification is that ownership and the net assets of the municipality belong to the community.

Any movement on the budgeted financial performance or capital budget will inevitably impact on the budgeted financial position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalent at year end. Similarly, the collection rate assumption should inform the budget appropriation debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 14 LIM474 Fetakgomo - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		450	974	2 616	5 928	5 410	5 410	4 335	4 793	6 012
Government - operating	1	29 408	37 173	43 679	50 322	50 822	50 822	57 379	68 805	89 215
Government - capital	1	11 270	15 553	11 010	17 910	17 910	17 910	19 042	20 545	21 814
Interest		718	724	960	966	966	966			
Dividends										
Payments										
Suppliers and employees		(29 280)	(38 182)	(46 073)	(53 971)	(56 924)	(56 924)	(62 605)	(66 344)	(71 931)
Finance charges		(28)	(152)	(23)	(85)	(85)	(85)	(90)	(95)	(100)
Transfers and Grants	1									
NET CASH FROM/(USED) OPERATING ACTIVITIES		12 538	16 091	12 169	21 069	18 100	18 100	18 061	27 704	45 010
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		98	(5)							
Decrease (Increase) in non-current debtors										
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets		(12 105)	(18 522)	(11 382)	(17 706)	(23 152)	(23 152)	(21 156)	(22 203)	(31 814)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 006)	(18 528)	(11 382)	(17 706)	(23 152)	(23 152)	(21 156)	(22 203)	(31 814)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing								(2 000)	(2 000)	(2 000)
Increase (decrease) in consumer deposits										
Payments										
Repayment of borrowing		(96)	141	(58)	(141)	(141)	(141)	(186)	(194)	(210)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(96)	141	(58)	(141)	(141)	(141)	(2 185)	(2 194)	(2210)
NET INCREASE/ (DECREASE) IN CASH HELD		435	(2 296)	729	3 223	(5 193)	(5 193)	(5 095)	3 501	11 196
Cash/cash equivalents at the year begin:	2	9 958	10 394	8 098	8 827	12 050	12 050	6 857	1 762	5 263
Cash/cash equivalents at the year end:	2	10 394	8 098	8 827	12 050	6 857	6 857	1 762	5 263	16 459

Table 15 LIM474 Fetakgomo - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	10 394	8 098	8 827	12 050	6 857	6 857	12 050	1 762	5 263	16 459
Other current investments > 90 days		718	1 507	5 200	(3 473)	1 720	1 720	(12 050)	(36)	(3 864)	18 041
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		11 112	9 605	14 027	8 577	8 577	8 577	–	1 726	1 399	34 500
Application of cash and investments											
Unspent conditional transfers		7 790	1 002	4 231	1 795	1 795	1 795	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2		44								
Other working capital requirements	3	9 957	6 112	5 679	256	993	993	–	1 211	309	(529)
Other provisions					2 358						
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	1 673	2 018		1 427						
Total Application of cash and investments:		19 420	9 177	9 909	5 837	2 789	2 789	–	1 211	309	(529)
Surplus(shortfall)		(8 309)	429	4 118	2 740	5 788	5 788	–	515	1 090	35 029

1. The cash baked reserves/ accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42-funding a municipal budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/ commitments that exist.
3. The outcome of this exercise would either be a surplus or a deficit. A deficit would indicate that the applications of this exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be funded.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium term framework was to ensure the budget is aligned to section 18 of the MFMA.

MTREF

Table 16 LIM474 Fetakgomo - Table A9 Consolidated Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	11 954	18 616	16 300	22 133	–	22 133	23 507	23 972	24 450
Infrastructure - Road transport		1 849	2 927	150	–	–	–	–	–	–
Infrastructure - Electricity		2 034	416	505	5 191	–	5 191	1 925	17 500	13 300
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		2 295	1 722	–	1 500	–	1 500	5 175	325	–
Infrastructure		6 177	5 065	655	6 691	–	6 691	7 100	17 825	13 300
Community		2 604	3 776	6 000	5 797	–	5 797	11 280	1 700	8 000
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	3 173	9 774	9 645	9 645	–	9 645	5 127	4 447	3 150
Total Capital Expenditure	4									
Infrastructure - Road transport		1 849	2 927	150	–	–	–	–	–	–
Infrastructure - Electricity		2 034	416	505	5 191	–	5 191	1 925	17 500	13 300
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		2 295	1 722	–	1 500	–	1 500	5 175	325	–
Infrastructure		6 177	5 065	655	6 691	–	6 691	7 100	17 825	13 300
Community		2 604	3 776	6 000	5 797	–	5 797	11 280	1 700	8 000
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		3 173	9 774	9 645	9 645	–	9 645	5 127	4 447	3 150
TOTAL CAPITAL EXPENDITURE - Asset class	2	11 954	18 616	16 300	22 133	–	22 133	23 507	23 972	24 450
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Other		41 688	58 132	79 767	80 062	80 062	80 062	101 365	123 302	154 989
Infrastructure		41 688	58 132	79 767	80 062	80 062	80 062	101 365	123 302	154 989
Community										
Heritage assets										
Investment properties		–	–	320	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	41 688	58 132	80 087	80 062	80 062	80 062	101 365	123 302	154 989
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		1 673	2 018	3 224	1 824	2 824	2 824	3 270	3 760	4 136
TOTAL EXPENDITURE OTHER ITEMS		1 673	2 018	3 224	1 824	2 824	2 824	3 270	3 760	4 136
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

MTREF

LIM474 Fetakgomo - Table A10 Consolidated basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	7 650	7 650	7 650	8 000	8 200	8 500
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	20 350	20 350	20 350	21 200	21 600	22 600
<i>Below Minimum Service Level sub-total</i>		-	-	-	28 000	28 000	28 000	29 200	29 800	31 100
Total number of households	5	-	-	-	28 000	28 000	28 000	29 200	29 800	31 100
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)					8 500	8 500	8 500	9 000	9 000	9 000
Refuse (average litres per week)					4 500	4 500	4 500	5 500	5 500	5 500
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-	-

Part 2: Supporting documents

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities as set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the budget steering committee is to ensure;

- That the process followed to compile the budget complies with legislation and good budget practices;*
- There is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality.*
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available;*
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.*

Budget Process Overview

Section 21(1)(b) of the Municipal Finance Management Act (MFMA) (no. 56 of 2003) generally echoes Section 28(1) of the Municipal Systems Act (MSA) (no. 32 of 2000) by prescribing that the Mayor of the Municipality must at least 10 months before the commencement of the financial year, table in the Council a time schedule outlining key deadlines for the preparations, tabling and approval of the annual budget and also the review of the Integrated Development Plan.

The budget steering committee is leading the process of IDP budget compilation. Various meetings including a strategic planning session were held to consider budget and IDP proposals. Community members were consulted in the first draft of the IDP and second consultation meetings will be held post the adoption of the budget.

2.3 Measurable performance objectives

Fetakgomo Local Municipality's development strategies: meeting the development challenges

The development strategies are the product of the strategic planning session. The actual strategies detailed in tabular perspective below orients towards the achievement of the strategic priorities, objectives and outcomes as flagged supra (in the previous sections of this chapter). They are arranged according to Key Performance Areas (KPA) / respective output, thereby beginning with spatial rationale – the overarching purpose is to reconfigure the municipal space economy from a spatial perspective.

KPA 1: SPATIAL RATIONALE (OUTPUT 04)

Strategic Objective: To promote compatible land use and development

Project	Project / Programmes	Indicators	Overall Budget			Responsible Department
			2013/14	2014/15	Overall Total	
FTM/SR 1	Implementation of LUMS/SDF	Number of workshops with Traditional Authority Number of land use applications processed	R10 700	R11 556	R 22 256	Development Planning
FTM/SR 2	Township Establishment	Number of interventions with Stakeholders	R53 500	R57 780	R 111 280	Development Planning / COGHTA
FTM/SR 3	Tenure upgrading	Number of engagement sessions with Traditional Authority	R1070	R1156	R 1 156	Development Planning
FTM/SR 4	Geo-graphical names committee support	Number of meetings held	N/A	N/A		Development Planning
FTM/SR 5	GIS – updating of information	% maintenance GIS	R150 000	R 162 000	R 312 000	Development Planning

The project (FTM/SR 2) which required Environment impact Assessment (EIA) it was done accordingly.

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (OUTPUT 1 & 7)

Strategic Objective: To strengthen institutional efficiency and governance

Project	Project / Programmes	Budget & Targets			Overall Budget	Responsible Department
		Indicators	2013/14	2014/15		
FTM/IT1	IDP/Budget Review	Percentage compliance with the legal timeframe	149 800	R161 784	R 311 584	Development Planning / Budget & Treasury
FTM/IT 2	PMS Framework Review	% implementation of the PMS framework	N/A	N/A	N/A	Corporate Services
FTM/IT 3	Policy Review and enforcement	Number policies reviewed % progress in reviewing Council Delegation	N/A	N/A	N/A	Corporate Services
FTM/IT 4	Policy Development	Number of policies Developed	N/A	N/A	N/A	Corporate Services
FTM/IT 5	Devolution of powers and functions -Traffic -Water service -Trade regulation		N/A	N/A	N/A	Corporate Services
FTM/IT 6	Development of Key sector plans -MIIF -Disaster Response Plan		N/A	N/A	N/A	Technical Services
FTM/IT 7	Implementation & development of By-laws	No. of reports on implementation of by-laws e.g. Traffic by-law % progress in developing trading by-law	N/A	N/A	N/A	Corporate Services
FTM/IT 8	IT support	No. of reports on consistence IT improved environment	N/A	N/A	N/A	Corporate Services
FTM/IT9	PMS Implementation (Individual)	% management of performance Level 3 & 4	N/A	N/A	N/A	Corporate Services
FTM/IT 10	HR Development	% completion of the WSP (2013/14)	N/A	N/A	N/A	Corporate Services
FTM/IT 11	Human resource Management	No of reports generated on personnel information % of funded vacancies filled % progress on placement	N/A	N/A	N/A	Corporate Services
FTM/IT	Legal Services	No of reports crafted on	R 848 000	R 907 360	R 175 5360	Corporate Services

12		implementation of SLA				
----	--	-----------------------	--	--	--	--

No projects required EIA.

KPA 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic objective: To facilitate for improved service delivery

Project	Project/Programmes	Indicators	Budget and Targets			Overall Budget	Responsible Department
			2013/14	2014/15	2015/16		
FTM/SD 1	FBE	% progress on processing submitted applications	R 1 300 000	R1 600 000	R2 000 000	R 4 900 000	Technical Services
FTM/SD 2	Paving of Hawkers stalls	% completion of paving	R 500 000	R 0	R0	R 500 000	Technical Services
FTM/SD 3	Extension of Street lighting	Km's of Street lights installed	R 1 500 000	R 10 500 000		R 12 000 000	Technical Services
FTM/SD 4	High mast lights		-	R 7 000 000		R 12 190 787	Technical Services
FTM/SD 5	Mphanama Community hall	% progress on construction of Mphanama Community Hall	R 1 960 000			R 3 750 000	Technical Services
FTM/SD 6	Paving of municipal offices parking area	N/A			R 2 000 000	R 2 000 000	Technical Services
FTM/SD 7	Early childhood learning facilities	% progress in construction	R 8 100 000	R 11 000 000		R 19 100 000	Technical Services
FTM/SD 8	Paving Municipal halls	No of Halls Paved	R 1000 000			R 1 000 000	Technical Services
FTM/SD 9	Upgrading Landfill site	% progress on upgrading of the Landfill site	R 5 175 000				Technical Services
FTM/SD 10	Upgrading sports facility	N/A	-		R 1 500 000		Technical Services
FTM/SD 7	Refuse removal	No. of reports on refuse removal services	R 2 442 240	R 2 588 774	N/A	R 503 1014	Community Services
FTM/SD	Greening of the Municipality	% progress on greening of Municipality	R 16 050	R 17174	N/A	R 33224	Technical Services
FTM/SD	Olifantspoort South Regional WS Scheme	% completion	R 40 000 000	R 30 000 000	N/A	R 70 000 000	SDM
FTM/SD	Nkadameng BWS	% completion	R 9 089 000	N/A	N/A	R 9 089 000	SDM
FTM/SD	Provision of water supply to Mphanama village connectors Gabaneng, Ga-Mmela	% completion	R 10 000 000	N/A	N/A	R 10 000 000	SDM

FTM/SD	Completion of bulk Sanitation Projects Apel Sewer WWTW	% completion	R 10 000 000	R 22 000 000	R 18 000 000	R 50 000 000	SDM
FTM/SD	Provision of household sanitation facilities (60% of backlog) VIP sanitation for 107 RDP Houses in Mashilabela Phahlamano, Radingwana and Machacha	% completion	R 1 100 000	N/A	N/A	R 1 100 000	SDM

No projects required EIA.

KPA 4: LOCAL ECONOMIC DEVELOPMENT (OUTPUT 3)

Strategic Objective: To create an environment that stimulates economic growth and development

Project	Project /Programmes	Budget and Targets			Overall Budget	Responsible Department
		Indicators	2013/14	2014/15		
FTM/LED 1	Farmers' Support	Number of small scale farmers supported through Request for Proposals (RFP) process	R500 000	R 600 000	R 11 00 000	Development Planning
FTM/LED 2	Local Tourism	Number of tourism facilities graded	R40 000	R 50 000	R 90 000	Development Planning
FTM/LED 3	Local Business Support	Number of empowerment sessions for local SMMEs	R107 000	R 115 560	R 222 560	Development Planning
FTM/LED 4	Strategic Partnership	Memorandum of Understanding (MoU) signed (Independent Development trust)	N/A	N/A	N/A	Development Planning
FTM/LED 5	LED Strategy Implementation	Number of LED Forums held	N/A	N/A	N/A	Development Planning
FTM/LED 6	Job Creation	Number of jobs created through Municipal LED initiatives	N/A	N/A	N/A	Development Planning
FTM/LED 7	Youth Business Enterprise support	Number of Youth Enterprises supported through Request for Proposals (RFP) process	N/A	N/A	N/A	Development Planning

No projects required EIA

KPA 5: FINANCIAL VIABILITY (OUTPUT 6)**Strategic Objective: To promote sound financial management**

Project No.	Project / Programmes	Indicators	Budget and Target		Overall Budget	Responsible Department
			2013/14	2014/15		
FTM/FV 1	Revenue improvement project	% debt collected from billed revenue	R 428 000	R457 960	R128 5960	BTO
FTM/FV 2	Asset and inventory management	% compliance to asset and inventory management	R4500000	R250 000	R1300 000	BTO
FTM/FV 3	MPRA Management	% Compliance to MPRA management	R53 500	R57 245	R 160 745	BTO
FTM/FV 4	Budgeting and financial reporting	% compliance to budget reforms and financial reporting	R326 350	R349 195	R 980 545	BTO
FTM/FV 5	SCM implementation	% compliance to SCM reforms	R0	R0	R0	BTO
FTM/FV 6	Indigent management	% compliance to indigent management	R0	R0	R0	BTO

No projects required EIA.

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (OUTPUT 05)**Strategic Objective: To strengthen institutional efficiency and promote good governance**

Project	Project/Programmes	Budget and Targets			Overall Budget	Responsible Department
			2013/14	2014/15		
FTM/GPP 1	Ward Committees' Support (stipends)	No. of certified payment schedule submitted	R727 600	R778 532	R 1506 132	Community Services
FTM/GPP2	Special Programmes	No. of LAC Reports generated	R200 000	R220 000	R 420 000	Corporate Services
FTM/GPP3	Council Fund - Event Management	No of EXCO meetings held No. of ordinary council meetings held No. of special council meetings held % implementation of prioritized training needs	R265 000	R350 000	R 615 000	Corporate Services
FTM/GPP4	Publicity	% progress in branding of the Municipality No. of media relations initiatives Video profiling FTM No of News Letters produced % progress in developing Process Plan for Website update	R190 800	R300 000	R 490800	Corporate Services
FTM/GPP5	Bursary fund	No. of learners supported No. of employees supported	R200 000	R350 000	R 550 000	Corporate Services
FTM/GPP6	Relief fund		R53 000	R56 710	R 109 710	Corporate Services

FTM/GPP 7	Coordinate Sports, Art & Culture	No of events supported No of Sports Makgotla	R 70 000	R 100 000	R 170 000	Community Services
FTM/GPP 8	Outreach services -Public Participation -FATSC		N/A	N/A	N/A	Community Services
FTM/GPP 9	Intergovernmental Relations -CDWs -YAC	% progress in support of YAC, CDW & SAWID Number of IGR For a	N/A	N/A	N/A	DVP
FTM/GPP 10	Internal audit	Number of risk based audits No of PMS audits conducted No of follow up audits conducted	N/A	N/A	N/A	M M's Office
FTM/GPP 11	External Audit	% reduction of matters of emphasis % progress in implementation of 2010/11 audit recommendations	R 1 600 500	R 1 73 340	R 177 3840	M M's Office
FTM/GPP 12	Audit Committee	No of Audit Committee reports submitted to Council No of MPAC meetings held No of special committee meetings held	R171 200	R184 896	R 356096	M M's Office
FTM/GPP 13	Risk Management	% progress in risk assessment process for 2013/2014 Number of risk management reports	N/A	N/A	N/A	M M's Office
FTM/GPP 14	Fraud Prevention	Number of fraud prevention initiatives Number of policies reviewed	N/A	N/A	N/A	Corporate Services/MM's Office
FTM/GPP 15	Customer Care	% implementation of Customer Satisfaction Survey Turnaround time for issues addressed	N/A	N/A	N/A	Corporate Services
FTM/GPP16	Communication (traffic)	No of traffic communication equipment acquired	N/A	N/A	N/A	Community Services

2.4 Overview of budget assumptions

An advice from National Treasury circular 58 and 59 was taken into account in preparing the budget. The municipalities revenues will continue to be under pressure owing to a general decline in the world and domestic economy which has put economic pressures on the household and therefore advises municipalities to use a conservative approach when making revenue estimates.

Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities. The following examples of non-priority expenditure have been observed, and need to be eliminated:

- ✓ excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;*
- ✓ public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);*
- ✓ LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;*
- ✓ excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;*
- ✓ arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);*
- ✓ excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);*
- ✓ excessive luxurious office accommodation and office furnishings;*
- ✓ foreign travel by mayors, councillors and officials, particularly 'study tours';*
- ✓ excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances (certain of these may be irregular spending – see paragraph 4.8 below);*
- ✓ excessive staff in the office of the mayor – particularly the appointment of political 'advisors' and 'spokespersons';*

- ✓ *all donations to individuals that are not made in terms of the municipality's indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);*
- ✓ *costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or 'golden handshakes'; and*
- ✓ *the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants.*

Principles guiding the budget process

- ✓ *Ensuring that expenditure is aligned to revenue and that the municipality has sufficient cash to finance the expenditure.*
- ✓ *Ensure that the municipality avoids borrowings due to the dependence on grant revenue*
- ✓ *Ensure that the municipality maintains sufficient reserves for rainy days and capital expansion.*
- ✓ *Ensure that the budget respond to priorities enlisted in the IDP.*
- ✓ *Review of all programmes and cost centres to minimise wastage.*
- ✓ *Reprioritisation of expenditure programmes to curb the growing personnel and operating expenditure.*
- ✓ *Ensure that services are cost reflective, affordable and sustainable.*
- ✓ *Ensure that realistic revenue targets are set based on trends.*
- ✓ *Follow the national guide on salary and CPI projections.*

Table 17 Tariffs for 2013/14 budget year

TARIFFS AND CHARGES FOR 2011/2012								
NO	NATURE OF SERVICE	DESCRIPTION	FREQUENCY	Actual Outcome 2010/2011 R	Actual Outcome 011/2012 R	PROPOSED TARIFFS 2012/2013 R	PROPOSED TARIFFS 2013/2014	PROPOSED TARIFFS 2014/2015
1	General service for residential sites							
		All households with refuse removal	Per month	25.00	30.00	30.00	50.60	60
		CBD area proclaimed area rural				30.00	50.60	60
		Residential site				30.00	50.60	60
		Proclaimed Fully serviced area				30.00	50.60	60
		Semi/ not serviced				30.00	50.60	60
		Rural				30.00	50.60	60
2	General service for business sites and government departments							
		Bulk container once a week	Per month	1,600.00	1,650.00	4 600.00	5 000	5 200
		General service	Per month	40.00	50.00	200.00	240	260
		Extra ordinary refuse						
		garden	Per load	600.00	650.00	650.00	770	800
		building	Per load	800.00	850.00	850.00	870	900
		Own delivery-Garden	Per load(tons)		300.00	300.00	330	350
		- Building	Per load (tons)		400.00	400.00	430	450
		-Rubble	For free		0.00	0.00		
		Removal of animal carcasses	Per request			Free		

		-Removal of condemned foodstuffs per load of one ton or more	Per request	N/A	N/A	R120.00	160	180
		Removal of compactable bulky waste per 6m3(skip container)	Per collection	N/A	N/A	R 300.00	330	350
		Removal of non-compactable bulky waste per 6m3(skip container)	Per collection	N/A	N/A	R 400.00	430	450
	Business, Households and government							
		Per light delivery van or trailer load exceeding one ton	Per delivery	N/A	N/A	R 80.00	110	140
		Per load not exceeding three ton but exceeding one ton	Per delivery	N/A	N/A	R 200.00	230	250
		Per load not exceeding six ton but exceeding three ton	Per delivery	N/A	N/A	R500.00	530	550
		Per load not exceeding ten ton but exceeding six ton	Per delivery	N/A	N/A	R700.00	730	750
		Per load exceeding ten ton	Per delivery	N/A	N/A	R900.00	950	1000
		Rubble- Builder's rubble is for free because it can be utilised for landfill maintenance and for wet weather cell during rainy seasons.	Per delivery	N/A	N/A	Free		

3	Sale of sites	Business sites						
		CBD area (Prime)	Per square meter	100.00	100.00	100.00	130	150
		Proclaimed area	Per square meter	40.00	45.00	45.00	60	70
		Rural	Per square meter	30.00	35.00	35.00	50	65
		Residential						
		Proclaimed fully serviced area	Per square meter	30.00	35.00	35.00	50	65
		Semi/ not serviced	Per square meter	5.00	7.00	7.00	14	20
		Rural	Per square meter	3.00	5.00	5.00	10	
4	Land use/ Permission to occupy							

		Residential site		10.00	20.00	20.00	25	30
		Church site		75.00	80.00	80.00	100	130
		Tarven/ Shebeen		40.00	45.00	45.00	50	55
		Bottle store		150.00	155.00	155.00	160	165
		Institutional site		135.00	140.00	140.00	145	150
		Motor mechanic/ Scrap yard		100.00	110.00	110.00	115	120
		Driving School		110.00	120.00	120.00	125	130
		Car Wash		60.00	70.00	70.00	75	80
		Filling station		145.00	150.00	150.00	155	160
		Guest house		125.00	130.00	130.00	135	140
		General dealer		95.00	100.00	100.00	105	110
		Bakery		80.00	85.00	85.00	90	95
		Butchery		100.00	110.00	110.00	115	120
		Shoping center		200.00	220.00	220.00	225	230
		Tuckshop		80.00	85.00	85.00	90	95
		Manufacturing industry		300.00	350.00	350.00	330	350
		Mortuary		115.00	120.00	120.00	125	130
		Recreational and other facilities		80.00	85.00	85.00	90	95
		Salon/ dress making		70.00	80.00	80.00	85	90
		Farm/ Orchard site		95.00	100.00	100.00	105	110
5	Building plans							
		Approval of building plans	Per square meter	2.50	3.00	3.00	35	40
		Inspection	Per building	110.00	120.00	120.00	125	130

6	Hiring of council facilities							
	Community halls							
		Private individuals	Day use	300.00	200.00	300.00	350	400
		Private individuals.	Day & Night use	300.00	200.00	450.00	500	550
		Churches, NPO's, political organisations ,unions, clubs and other cultural and sporting organisations	Day use	300.00	200.00	300.00	350	400

		Churches, NPO's, political organisations ,unions, clubs and other cultural and sporting organisations	Day & night use	300.00	200.00	300.00	350	400
		Hiring by government & business	Day use	350.00	350.00	350.00	400	450
		Hiring by government & business	Day & night use	350.00	350.00	500.00	550	600
		The use of kitchen and equipments	Per request	250.00	100.00	100.00	150	200
		Guest house	Per day	350.00	350.00	350.00	400	450
		Deposit refundable	Per request	100.00	100.00	100.00	150	200
	Civic hall							
		Churches, NPO's, political organisations ,unions, clubs and other cultural and sporting organisations	Day use	800.00	600.00	600.00	700	800
		Churches, NPO's, political organisations ,unions, clubs and other cultural and sporting organisations	Day & night	2,000.00	1,300.00	1,300.00	1400	1500
		Hiring by government & business	Day use	800.00	800.00	800.00	900	1 000
		Hiring by government & business	Day & night	2,000.00	1,600.00	1,600.00	1 700	1 800
		The use of kitchen and equipments	Per request	250.00	250.00	250.00	300	350
		Deposit refundable	Cleared in five days	350.00	350.00	350.00	400	450
	Professional sports (PSL & Others		10% gate takings	750.00		-		
		no profit motive	per day		-	-		
			15% of gate takings	1,000.00		-		
			per night			-		
			500 deposit refundable			-		
			night and day	1,500.00		-		
			500 deposit			-		
			refundable			-		
		activities with profit motive	15% gate taking per day	1,000.00	1,000.00	1,000.00	N/A	N/A
			500 deposit refundable		500.00	500.00	N/A	N/A
Activities with profit motive should be forbidden								

	Boardroom per day							
		For use by organized business, labour ,political organisations, government	Day use	250.00	200.00	100.00	150	200
		Deposit refundable		200.00		0.00		
		Deposit refundable		100.00		0.00		
	Parking							
		Parking under shade	Per month	25.00	40.00	40.00	45	50
		Parking in an open area	Per month	25.00	20.00	25.00	30	35
	Recreational facilities							
		Multi-purpose club	Per person	N/A	5.00	2.50	3.00	3.5
		Municipal pool	Per person	N/A	2.50	2.50	3.00	3.5
		Sports facility	Per day	N/A	250.00	300.00	350	400
		Tuck shop	Per day					
	Grader							
		Hiring of Grader	Per hour	N/A	350.00	700.00	850	900
7	Leasing of municipal property							
		Fetakgomo Atok Thusong Service Center	Per square meter per month including	50.00	10% increment per annum	10% increment per annum	10% increment per annum	10% increment per annum
		Leasing of hawker stalls	Per Month	N/A	N/A	80.00	90	100
9	Billboards							
		Banner	For 14 days per banner	60.00	20.00	20.00	25	30
		Poster	For 14 days per poster	2.00	2.00	2.00	3.00	3.5
		Election posters	Per registration of candidate	N/A	N/A	50.00	55	60

10	Sale of documents							
		Sale of documents (requirement by the public).	Per document	2.00	20.00	20.00	22	25
		Valuation certificate	Per request	0.00	0.00	50.00	55	60
		Letter of demand	Per letter	0.00	0.00	7.50	10	15
		Municipal fax machine by external parties	per page	10.00	4.00	4.00	6	8
		Photocopies	per page		1.00	1.00	1	1.5
		Tender documents -80/20 s tenders	Per document	200.00	200.000	250.00	260	270
		Tender documents -90/10 tenders	Per document	250.00	250.000	300.00	310	320
		Public documents; IDP, Budget, Annual report, SDBIP, audit reports, valuation roll etc	Per document	2.00	20.00	50.00	50	55
		MAPS	A4				30	35
		MAPS	A3				40	45
		MAPS	A1				60	70
10	Property rates & taxes							
		Residential	Per property	0,007	0.007	0.007	0.14	.014
		Business	Per property	0,007	0.007	0.007	.021	.021
		Agriculture	Per property	0,007	0.001	0.001	0.14	.014
		Public Service Infrastructure	Per property	0,014	0.014	0.014	.014	.014
		State Owned	Per property	0,014	0.014	0.014	.021	.021

Table 18 MBBR Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		5,087	10,734	7,851	9,252	9,252	9,252	5200	8,971	12,547
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	5,087	10,734	7,851	9,252	9,252	9,252	5200	8971	12,547
Consolidated total:		5,087	10,734	7,851	9,252	9,252	9,252	5200	8,971	12,547

LIM474 Fetakgomo - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit								4 000	2 000	223
Financial Leases		55	129	35	568	568	568			
PPP liabilities				292						
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	55	129	327	568	568	568	4 000	2 000	223

2.6 Overview of budget related-policies

A. SUPPLY CHAIN MANAGEMENT POLICY

The supply chain management policy has been reviewed in the second quarter but presented as part of budget related policies

B. ASSET MANAGEMENT POLICY

The asset management policy has been reviewed in the second quarter but presented as part of budget related policies

C. BAD DEBTS WRITE OFF POLICY

This policy is subject to review and is attached as annexure B

D. THE CREDIT CONTROL AND DEBT COLLECTION POLICY.

This policy is subject to review and is attached as annexure B

E. BUDGET MANAGEMENT POLICY AND VIREMENT POLICY

This policy is subject to review and is attached as annexure B

F. CASH MANAGEMENT AND INVESTMENT POLICY

This policy is subject to review and is attached as annexure B

G. Tariff policy

This policy is subject to review and is attached as annexure B

H. INDIGENT MANAGEMENT POLICY

This policy is subject to review and is attached as annexure B

I. PROPERTY RATES POLICY

This policy is subject to review and is attached as annexure B. Proposal to this policy include the removal of the automatic reduction of R85 000 to all business properties.

J. AUDIT COMMITTEE REMUNARATION FRAMEWORK

This policy is subject to review and is attached as annexure B

All the above policies are available on the municipality's website.

2.7 Expenditure on grants and reconciliation of unspent funds

Table 19 LIM474 Fetakgomo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<u>Operating transfers and grants:</u>	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		20 291	27 154	33 103	43 672	44 182	48 772	49 310	53 306	57 782
Conditions met - transferred to revenue		20 025	27 154	33 103	43 672	44 182	48 772	49 310	53 306	57 782
Conditions still to be met - transferred to liabilities		266								
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		34	45							
Current year receipts		293	307							
Conditions met - transferred to revenue		282	(102)	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		45	454							
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		20 307	27 052	33 103	43 672	44 182	48 772	49 310	53 306	57 782
Total operating transfers and grants - CTBM	2	311	454	-	-	-	-	-	-	-
<u>Capital transfers and grants:</u>	1,3									
National Government:										
Balance unspent at beginning of the year		1 741	4 234	4 846		962	962	2 937	3 582	3 783
Current year receipts		4 814	8 113	15 967	11 750	11 750	11 750	14 328	15 131	17 991
Conditions met - transferred to revenue		2 321	7 501	19 852	8 812	9 774	9 774	13 684	14 930	19 775
Conditions still to be met - transferred to liabilities		4 234	4 846	962	2 937	2 937	2 937	3 582	3 783	1 999
Provincial Government:										
Total capital transfers and grants revenue		2 321	7 501	19 852	8 812	9 774	9 774	13 684	14 930	19 775
Total capital transfers and grants - CTBM	2	4 234	4 846	962	2 937	2 937	2 937	3 582	3 783	1 999
TOTAL TRANSFERS AND GRANTS REVENUE		22 627	34 553	52 955	52 484	53 956	58 546	62 993	68 236	77 557
TOTAL TRANSFERS AND GRANTS - CTBM		4 545	5 300	962	2 937	2 937	2 937	3 582	3 783	1 999

2.8 Councillor and employee benefits

Table 20 LIM474 Fetakgomo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
-	1	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		3 533	3 588	4 508	4 484	1 955	2 529	4 708	5 038	5 441
Pension and UIF Contributions		844	866	1 022	1 017	471	545	1 067	1 142	1 233
Medical Aid Contributions						-	-			
Motor Vehicle Allowance		1 162	1 283	1 431	1 506	655	851	1 581	1 692	1 827
Cellphone Allowance		88	-	-	-	-	-	-	-	-
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		5 626	5 737	6 962	7 006	3 081	3 925	7 357	7 872	8 501
% increase	4		2.0%	21.4%	0.6%	(56.0%)	27.4%	87.4%	7.0%	8.0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		1 385	1 827	2 870	2 773	2 773	2 773	3 537	3 717	4 015
Pension and UIF Contributions		124	220	183	460	460	460	535	622	672
Medical Aid Contributions		-	7	26	-	-	-	-	-	-
Overtime										
Performance Bonus		140	253	433	360	360	360	379	406	439
Motor Vehicle Allowance	3	333	312	423	414	414	414	436	468	505
Cellphone Allowance	3	27	31	44	43	43	43	45	49	53
Housing Allowances	3	-	-		137	137	137			
Other benefits and allowances	3	419	379	711	728	728	728	865	933	1 007
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		2 428	3 028	4 690	4 916	4 916	4 916	5 798	6 195	6 691
% increase	4		24.7%	54.9%	4.8%	-	-	17.9%	6.9%	8.0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		9 162	7 951	10 093	12 670	12 670	12 670	13 376	14 276	15 419
Pension and UIF Contributions		1 028	2 464	3 229	2 842	2 842	2 842	2 984	3 207	3 463
Medical Aid Contributions		296	1 008	1 535	1 691	1 691	1 691	1 776	1 908	2 061
Overtime		11	10	5	89	89	89	93	100	108
Performance Bonus		-	-	-	-	-	-	470	500	600
Motor Vehicle Allowance	3	1 111	2 431	3 151	2 916	2 916	2 916	3 065	3 289	3 553
Cellphone Allowance	3	103	185	184	213	213	213	224	240	259
Housing Allowances	3	1	147	275	72	72	72	76	81	88
Other benefits and allowances	3	641	1 273	1 477	1 533	1 533	1 533	1 702	1 735	1 874
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		12 352	15 468	19 948	22 026	22 026	22 026	23 765	25 337	27 424
% increase	4		25.2%	29.0%	10.4%	-	-	7.9%	6.6%	8.2%
Total Parent Municipality		20 406	24 233	31 600	33 948	30 023	30 867	36 920	39 404	42 616
			18.8%	30.4%	7.4%	(11.6%)	2.8%	19.6%	6.7%	8.2%

Table 21 LIM474 Fetakgomo - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		290 141	96 714	96 714			483 568
Chief Whip			272 007	90 669	90 669			453 345
Mayor			362 676	120 892	120 892			604 460
Section 79 Committee chairpersons			253 873	84 624	84 624			423 122
Executive Committee			272 007	90 669	90 669			453 345
Other councillors			101 340	33 780	33 780			168 900
Total Councillors	8	–	1 552 044	517 348	517 348			2 586 740
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			559 122	197 766	180 880	90 000		1 027 768
Chief Finance Officer			512 558	107 484	193 132	90 000		903 174
Strategic Manager- Corporate Services			524 765	101 628	141 316	90 000		857 709
Strategic Manager- Technical Services			524 765	101 628	141 316	90 000		857 709
Strategic Manager- Development Planning			642 660	58 011	67 007	90 000		857 678
								–
Total Senior Managers of the Municipality	8,10	–	2 763 870	566 517	723 651	450 000		4 504 038

Table 22 LIM474 Fetakgomo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		25	3	22	25	3	22	25	5	20
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	4		4	4		4	4		4
Other Managers	7	12	10	2	13	11	2	13	11	2
Professionals		49	43	5	58	51	7	65	58	7
<i>Finance</i>		14	9	5	15	9	6	15	10	5
<i>Spatial/town planning</i>		1	1		1	1				
<i>Information Technology</i>		2	1		2	1	1	3	3	
<i>Roads</i>										
<i>Electricity</i>					1	1		1	1	
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>		1	1		6	6		7	7	
<i>Other</i>		31	31		33	33		39	37	2
Technicians		–	–	–	–	–	–	–	–	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		5	5		5	5		5	5	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	95	61	33	105	70	35	112	79	33
% increase					10.5%	14.8%	6.1%	6.7%	12.9%	(5.7%)

2.9 Monthly target for revenue, expenditure and cash flow

LIM474 Fetakgomo - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source	–															
Property rates		–	267	267	360	–	367	267	467	367	233	467	138	3 200	3 520	3 872
Property rates - penalties & collection charges			2			2							18	21	22	24
Service charges - refuse revenue		203	170	198	203	205	200	203	230	205	202	201	222	2 442	2 589	2 744
Service charges - other		8	10		11	9	10		9		10	12	40	119	122	123
Rental of facilities and equipment		9	11	8	8	36	18	13	10	13	27	12	106	269	285	294
Interest earned - external investments		89	78	124	83	88	105	96	82	98	112	90	253	1 298	1 433	1 539
Interest earned - outstanding debtors		7	6	8	6	7	7	8	–	3	10	9	2	70	74	79
Fines		18	17	16	15	14	18	15	17	15	14	20	35	212	225	238
Licences and permits		150	148	106	115	125	102	137	166	130	135	145	341	1 800	2 100	3 200
Agency services		66	63	64	60	155	85	55	43	36	53	55	60	795	800	848
Transfers recognised - operational		21														
Other revenue		005		1 890			15 423			14 555	4 506		0	57 379	68 805	89 215
Total Revenue (excluding capital transfers and contributions)		21 554	773	2 680	860	641	16 335	794	1 026	15 422	5 302	1 010	1 215	67 613	79 982	102 183
Expenditure By Type	–															
Employee related costs		2 508	2 405	2 708	2 508	2 802	2 510	2 985	2 608	2 408	2 456	2 460	1 747	30 105	32 219	34 861
Remuneration of councillors		613	600	599	578	575	615	608	650	625	634	620	640	7 357	7 872	8 501
Debt impairment													4 694	4 694	5 128	5 601
Depreciation & asset impairment							1 635						1 635	3 270	3 760	4 136
Finance charges													89	89	95	100
Bulk purchases		125	108	115	120	122	123	129	122	121	124	126	165	1 500	1 700	1 870
Contracted services		242	244	237	242	244	237	266	240	223	267	265	193	2 900	3 190	3 509
Other expenditure		1 728	1 527	1 000	898	1 686	2 560	1 789	1 500	1 520	1 728	1 728	3 079	20 743	21 363	23 189
Total Expenditure		5 216	4 884	4 659	4 346	5 429	7 680	5 777	5 121	4 897	5 209	5 199	12 242	70 659	75 326	81 768
Surplus/(Deficit)		16 338	(4 110)	(1 979)	(3 486)	(4 788)	8 655	(4 983)	(4 095)	10 525	93	(4 189)	(11 027)	(3 045)	4 656	20 415
Transfers recognised - capital		989		4 500	2 502		2 580		1 985	4 500			1 985	19 042	20 545	21 814
Surplus/(Deficit) after capital transfers & contributions		17 327	(4 110)	2 521	(984)	(4 788)	11 235	(4 983)	(2 110)	15 025	93	(4 189)	(9 042)	15 997	25 201	42 229
Surplus/(Deficit)	1	17 327	(4 110)	2 521	(984)	(4 788)	11 235	(4 983)	(2 110)	15 025	93	(4 189)	(9 042)	15 997	25 201	42 229

2.10 Legislation compliance status

Compliance with the MFMA implementation requirements have been adhered to through the following activities;

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes published performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Internship Programme and has deployed five interns undergoing training in various divisions of the Budget and Treasury Office. A total of five interns has since been appointed full time at the municipality since 2005 when the programme started. All other interns have been appointed by other government department or private business.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An audit committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detailed SDBIP document has been draft and will be signed by the Mayor within 10 working days post the adoption of the annual budget. The SDBIP is fully aligned to the IDP and budget.

6. Annual Report

Annual report is compiled in terms of MFMA and National Treasury requirements.

7. Policies

All policies which are amended are duly adopted by Council and placed on the municipal website, public facilities such as the library and other municipal offices.

2.11 Other supporting tables

LIM474 Fetakgomo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>											
Total Property Rates	6			879	900	3 900	3 900		4 000	5 000	5 500
Net Property Rates		-	-	879	900	3 900	3 900	-	4 000	5 000	5 500
Total refuse removal revenue				2 141	2 304	2 304	2 304		2 442	2 589	2 744
Net Service charges - refuse revenue		-	-	2 141	2 304	2 304	2 304	-	2 442	2 589	2 744
<u>Other Revenue by source</u>											
List other revenue by source		236	2 114	960	2 800	2 800	2 800		7	8	8
Total 'Other' Revenue	1	236	2 114	960	2 800	2 800	2 800	-	7	8	8
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	11 046	10 710	18 816	16 150	16 854	16 854		16 928	18 106	19 555
Pension and UIF Contributions		1 362	2 941		3 065	3 517	3 517		3 519	3 829	4 135
Medical Aid Contributions		296	1 015	1 195	1 836	1 580	1 580		1 776	1 908	2 061
Overtime		11	16	176	147	272	272		154	166	179
Performance Bonus		140	253	539	360	300	300		379	406	439
Motor Vehicle Allowance		1 776	3 305	2 656	3 330	2 970	2 970		3 501	3 757	4 058
Cellphone Allowance		130	216	243	256	263	263		269	289	312
Housing Allowances		1	147	103	209	193	193		76	81	88
Other benefits and allowances		134	170		1 304	1 633	1 633		3 503	3 676	4 035
sub-total	5	14 896	18 772	23 727	26 658	27 583	27 583	-	30 105	32 219	34 861
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	14 896	18 772	23 727	26 658	27 583	27 583	-	30 105	32 219	34 861
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		1 673	2 018	3 224	1 824	2 824	2 824		3 270	3 760	4 136
Total Depreciation & asset impairment	1	1 673	2 018	3 224	1 824	2 824	2 824	-	3 270	3 760	4 136
<u>Bulk purchases</u>											
Electricity Bulk Purchases		836	1 038	1 147	1 300	1 300	1 300		1 500	1 700	1 870
Water Bulk Purchases											
Total bulk purchases	1	836	1 038	1 147	1 300	1 300	1 300	-	1 500	1 700	1 870
<u>Contracted services</u>											
Security Services		910	873	1 901	1 914	2 554	2 554		2 900	3 190	3 509
sub-total	1	910	873	1 901	1 914	2 554	2 554	-	2 900	3 190	3 509
Total contracted services	1	910	873	1 901	1 914	2 554	2 554	-	2 900	3 190	3 509
<u>Other Expenditure By Type</u>											
Collection costs											
Contributions to 'other' provisions		245	605	4 324	520	520	520		654	714	777
Consultant fees		-	230		100	100	100		855	384	414
Audit fees		978	1 270	1 660	1 500	1 570	1 570		1 500	1 620	1 750
General expenses	3	8 275	10 219	8 696	15 008	16 475	16 475		17 734	18 645	20 248
Total 'Other' Expenditure	1	9 498	12 324	14 679	17 128	18 665	18 665	-	20 743	21 363	23 189

LIM474 Fetakgomo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days									1 500	552	32 000
Other current investments > 90 days		10 859	8 739								
Total Call investment deposits	2	10 859	8 739	-	-	-	-	-	1 500	552	32 000
<u>Consumer debtors</u>											
Consumer debtors		176	112	2 084	3 812	3 812	3 812		6 780	7 830	8 230
Total Consumer debtors	2	176	112	2 084	3 812	3 812	3 812	-	6 780	7 830	8 230
<u>Debt impairment provision</u>											
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		43 361	60 150	79 767	82 489	82 489	82 489		104 625	128 132	161 238
Leases recognised as PPE											
Less: Accumulated depreciation	3	1 673	2 018		2 427	2 427	2 427		3 260	4 830	6 340
Total Property, plant and equipment (PPE)	2	41 688	58 132	79 767	80 062	80 062	80 062	-	101 365	123 302	154 898
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		73	140	95	267	267	267		2 000	2 000	2 000
Total Current liabilities - Borrowing		73	140	95	267	267	267	-	2 000	2 000	2 000
<u>Trade and other payables</u>											
Trade and other creditors		11 771	6 729	6 807	2 685	2 685	2 685		4 230	3 653	3 260
Unspent conditional transfers		7 790	1 002	4 231	1 795	1 795	1 795				
VAT											
Total Trade and other payables	2	19 561	7 732	11 037	4 481	4 481	4 481	-	4 230	3 653	3 260
<u>Non current liabilities - Borrowing</u>											
Borrowing											
Finance leases (including PPP asset element)	4	55	129	35	568	568	568		4 000	2 000	223
Total Non current liabilities - Borrowing		55	129	327	568	568	568	-	4 000	2 000	223
Refuse landfill site rehabilitation				1 854							
Total Provisions - non-current		-	-	1 854	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		35 359	46 261		66 680	69 399	69 399		84 705	100 696	150 966
GRAP adjustments											
Restated balance		35 359	46 261	-	66 680	69 399	69 399	-	84 705	100 696	150 966
Surplus/(Deficit)		8 634	15 541	12 809	20 805	18 000	18 000	-	15 077	24 349	41 392
Accumulated Surplus/(Deficit)	1	43 992	61 802	12 809	87 485	87 399	87 399	-	99 782	125 044	192 358
<u>Reserves</u>											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	43 992	61 802	12 809	87 485	87 399	87 399	-	99 782	125 044	192 358

Table 44 MBBR Table-Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Public benefit organs.	Mining Props.
Current Year 2012/13															
Valuation:															
No. of properties		203	6	498	33	57	6	25	–	–	–	101		7	2
Years since last valuation (select)					1	1	1	1	1	1	1	1	1	1	1
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4		4	4
Method of valuation used (select)		Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.
Base of valuation (select)															
Phasing-in properties s21 (number)															
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Total valuation reductions:															
Total value used for rating (Rm)	6	67	3	162	53	109	11	20				115	–	2	14
Total land value (Rm)	6														
Total value of improvements (Rm)	6														
Total market value (Rm)	6	67	3	162	53	109	11	20				115	–	2	14
Rating:															
Average rate	3	0.007000	0.014000	0.014000	0.007000	0.014000	–	0.014000				0.014000		0.007000	0.014000
Rate revenue budget (R '000)		234	18	1,136	186	763	–	140				808		5	96
Rate revenue expected to collect (R'000)		65	5	318	52	166		39				226		2	27
Expected cash collection rate (%)	4	95.0%	5.0%	40.0%	5.0%	5.0%		5.0%				80.0%		5.0%	60.0%
Special rating areas (R'000)															
Rebates, exemptions - indigent (R'000)															
Rebates, exemptions - pensioners (R'000)															
Rebates, exemptions - bona fide farm. (R'000)															
Rebates, exemptions - other (R'000)		15	150	15	15	15		15				15		15	15
Phase-in reductions/discounts (R'000)		85	–	85	85			85						85	
Total rebates,exemptns,redctns,discs (R'000)															

LIM474 Fetakgomo - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source	-															
Property rates		-	267	267	360	-	367	267	467	367	233	467	(2 108)	954	954	954
Property rates - penalties & collection charges			2			2							18	21	22	24
Service charges - refuse revenue		203	170	198	203	205	200	203	230	205	202	201	222	2 442	2 589	2 744
Service charges - other		8	10		11	9	10		9		10	12	40	119	122	123
Rental of facilities and equipment		9	11	8	8	36	18	13	10	13	27	12	106	269	285	294
Interest earned - external investments		89	78	124	83	88	105	96	82	98	112	90	253	1 298	1 433	1 539
Interest earned - outstanding debtors		7	6	8	6	7	7	8	-	3	10	9	2	70	74	79
Fines		18	17	16	15	14	18	15	17	15	14	20	35	212	225	238
Licences and permits		150	148	106	115	125	102	137	166	130	135	145	341	1 800	2 100	3 200
Agency services		66	63	64	60	155	85	55	43	36	53	55	60	795	800	848
Transfers recognised - operational		21 005		1 890			15 423			14 555	4 506		0	57 379	68 805	89 215
Other revenue			2			1			3				1	7	8	8
Total Revenue (excluding capital transfers and contributions)		21 554	773	2 680	860	641	16 335	794	1 026	15 422	5 302	1 010	(1 031)	65 367	77 416	99 265
Expenditure By Type	-															
Employee related costs		2 508	2 405	2 708	2 508	2 802	2 510	2 985	2 608	2 408	2 456	2 460	1 747	30 105	32 219	34 861
Remuneration of councillors		613	600	599	578	575	615	608	650	625	634	620	640	7 357	7 872	8 501
Debt impairment													6 414	6 414	7 460	8 066
Depreciation & asset impairment							1 635						1 635	3 270	3 760	4 136
Finance charges													89	89	95	100
Bulk purchases		125	108	115	120	122	123	129	122	121	124	126	165	1 500	1 700	1 870
Contracted services		242	244	237	242	244	237	266	240	223	267	265	193	2 900	3 190	3 509
Other expenditure		1 728	1 527	1 000	898	1 686	2 560	1 789	1 500	1 520	1 728	1 728	3 079	20 743	21 363	23 189
Total Expenditure		5 216	4 884	4 659	4 346	5 429	7 680	5 777	5 121	4 897	5 209	5 199	13 962	72 379	77 658	84 233
Surplus/(Deficit)		16 338	(4 110)	(1 979)	(3 486)	(4 788)	8 655	(4 983)	(4 095)	10 525	93	(4 189)	(14 993)	(7 011)	(242)	15 032
Transfers recognised - capital		989		4 500	2 502		2 580		1 985	4 500			1 985	19 042	20 545	21 814
Surplus/(Deficit) after capital transfers & contributions		17 327	(4 110)	2 521	(984)	(4 788)	11 235	(4 983)	(2 110)	15 025	93	(4 189)	(13 008)	12 031	20 303	36 846
Surplus/(Deficit)	1	17 327	(4 110)	2 521	(984)	(4 788)	11 235	(4 983)	(2 110)	15 025	93	(4 189)	(13 008)	12 031	20 303	36 846

LIM474 Fetakgomo - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue - Standard																
<i>Governance and administration</i>		15 204	97	1 139	88	105	7 419	115	18	11 782	1 015	122	9 168	46 274	55 932	71 365
Executive and council		1 051					859			1 182	–		0	3 092	3 932	5 147
Budget and treasury office		2 566	88	1 139	88	102	996	107	18	1 000	–	122	5 191	11 418	13 899	16 382
Corporate services		11 588	9			3	5 564	8		9 600	1 015		3 978	31 764	38 100	49 836
<i>Community and public safety</i>		2 075	676	1 000	772	536	1 850	677	922	744	901	888	3 520	14 561	16 048	20 257
Community and social services		2 075	676	1 000	772	536	1 850	677	922	744	901	888	3 520	14 561	16 048	20 257
<i>Economic and environmental services</i>		4 275	–	541	–	–	7 066	2	86	2 896	3 387	–	8 368	26 620	30 027	34 001
Planning and development		4 275	–	541	–	–	7 066	2	86	2 896	3 387		8 368	26 620	30 027	34 001
Total Revenue - Standard		21 554	773	2 680	860	641	16 335	794	1 026	15 422	5 302	1 010	21 057	87 455	102 007	125 623
Expenditure - Standard																
<i>Governance and administration</i>		3 650	3 489	3 045	2 844	3 835	4 498	3 989	3 359	3 500	3 481	3 170	10 802	49 662	53 295	57 879
Executive and council		304	308	310	323	253	396	309	301	253	299	301	337	3 692	3 966	4 284
Budget and treasury office		1 290	1 167	1 079	995	1 226	1 546	1 390	989	889	1 000	1 279	5 593	18 441	20 416	22 139
Corporate services		2 056	2 015	1 657	1 527	2 356	2 556	2 290	2 070	2 358	2 182	1 590	4 872	27 529	28 913	31 456
<i>Community and public safety</i>		809	757	985	898	895	1 974	809	1 006	706	780	992	1 466	12 077	13 044	14 087
Community and social services		809	757	985	898	895	1 974	809	1 006	706	780	992	1 466	12 077	13 044	14 087
<i>Economic and environmental services</i>		757	637	629	605	699	1 208	979	756	690	948	1 037	1 694	10 639	11 321	12 272
Planning and development		757	637	629	605	699	1 208	979	756	690	948	1 037	1 694	10 639	11 321	12 272
Road transport													–	–	–	–
Total Expenditure - Standard		5 216	4 884	4 659	4 346	5 429	7 680	5 777	5 121	4 897	5 209	5 199	13 962	72 379	77 660	84 237
Surplus/(Deficit) before assoc.		16 338	(4 110)	(1 979)	(3 486)	(4 788)	8 655	(4 983)	(4 095)	10 525	93	(4 189)	7 094	15 077	24 347	41 386
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	16 338	(4 110)	(1 979)	(3 486)	(4 788)	8 655	(4 983)	(4 095)	10 525	93	(4 189)	7 094	15 077	24 347	41 386

LIM474 Fetakgomo - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated	1															
Vote 1 - CORPORATE SERVICES		5	60	100	120	250	120	130	110	100	89	25	31	1 140	90	–
Capital multi-year expenditure sub-total	2	5	60	100	120	250	120	130	110	100	89	25	31	1 140	90	–
Single-year expenditure to be appropriated																
Vote 1 - CORPORATE SERVICES		–	15	26	36	88	120	130	110	56	120	50	30	780	2 050	250
Vote 2 - MUNICIPAL MANAGER						50							–	50	40	100
Vote 3 - BUDGET & TREASURY					150				160				–	310	100	100
Vote 4 - COMMUNITY SERVICES		100	265	1 500	2 300	1 653	2 860	1 530	1 060	1 678	1 863	2 350	3 206	20 365	4 225	10 600
Vote 5 - TECHNICAL SERVICES			156	115	163	187	176	156	56	187	256	523	5	1 982	17 557	13 350
Vote 6 - DEVELOPMENT PLANNING			5		15								–	20	100	50
Capital single-year expenditure sub-total	2	100	442	1 641	2 664	1 978	3 156	1 816	1 386	1 921	2 239	2 923	3 241	23 507	24 072	24 450
Total Capital Expenditure	2	105	502	1 741	2 784	2 228	3 276	1 946	1 496	2 021	2 328	2 948	3 272	24 647	24 162	24 450

LIM474 Fetakgomo - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description R thousand	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		–	15	26	186	138	120	130	270	56	120	50	30	1 140	2 190	450
Executive and council						50							–	50	40	100
Budget and treasury office					150				160				–	310	100	100
Corporate services		–	15	26	36	88	120	130	110	56	120	50	30	780	2 050	250
<i>Community and public safety</i>		100	265	1 500	2 300	1 653	2 860	1 530	1 060	1 678	1 863	2 350	3 206	20 365	4 225	10 600
Community and social services		100	265	1 500	2 300	1 653	2 860	1 530	1 060	1 678	1 863	2 350	3 206	20 365	4 225	10 600
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
<i>Economic and environmental services</i>		156	120	163	202	176	156	56	187	256	523	–	5	2 002	17 657	13 400
Planning and development		156	120	163	202	176	156	56	187	256	523		5	2 002	17 657	13 400
Road transport													–	–	–	–
Environmental protection													–	–	–	–
<i>Trading services</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Electricity													–	–	–	–
Water													–	–	–	–
Waste water management													–	–	–	–
Waste management													–	–	–	–
<i>Other</i>													–	–	–	–
Total Capital Expenditure - Standard	2	256	400	1 689	2 688	1 967	3 136	1 716	1 517	1 990	2 506	2 400	3 241	23 507	24 072	24 450

LIM474 Fetakgomo - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov	Decem	Janu	Febru	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	10	10	10	10	10	10	10	10	10	10	10	10	120	150	200
Property rates - penalties & collection charges	2	2	2	2	2	2	2	2	2	2	2	2	21	22	24
Service charges - refuse revenue	21	21	21	21	21	21	21	21	21	21	21	21	250	365	406
Service charges - other	16	12	6	10	10	10	10	10	10	10	10	9	119	122	123
Rental of facilities and equipment	22	22	22	22	22	22	22	22	22	22	22	23	269	285	294
Interest earned - external investments	83	83	83	83	83	83	83	83	83	83	83	83	998	1 133	1 093
Interest earned - outstanding debtors	6	6	6	6	6	6	6	6	6	6	6	6	70	74	79
Fines	18	18	18	18	18	18	18	18	18	18	18	18	212	225	238
Licences and permits	104	126	156	56	127	126	154	79	157	146	123	120	1 473	1 610	2 700
Agency services	46	45	69	64	78	89	77	69	80	47	47	85	795	800	848
Transfer receipts - operational	2 356	19 780			21 400				13 843			0	57 379	68 805	89 215
Other revenue												7	7	8	8
Cash Receipts by Source	2 684	20 125	392	291	21 776	386	402	319	14 251	364	341	383	61 714	73 598	95 227
Other Cash Flows by Source															
Transfer receipts - capital		5 630				6 435			4 573		2 404	(0)	19 042	20 545	21 814
Total Cash Receipts by Source	2 684	25 755	392	291	21 776	6 821	402	319	18 824	364	2 745	383	80 756	94 143	117 041
Cash Payments by Type															
Employee related costs	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	30 105	32 316	36 387
Remuneration of councillors	613	613	613	613	613	613	613	613	613	613	613	613	7 357	7 872	8 501
Finance charges	7											82	89	95	100
Bulk purchases - Electricity	123	156	114	124	156	168	144	146	113	140		117	1 500	1 700	1 870
Contracted services	242	242	242	242	242	242	242	242	242	242	242	242	2 900	3 190	3 509
Other expenditure	1 654	1 654	1 654	1 654	1 654	1 654	1 654	1 654	1 654	1 654	1 654	1 654	19 843	20 871	28 903
Cash Payments by Type	5 147	5 173	5 131	5 141	5 173	5 185	5 161	5 163	5 130	5 157	5 017	5 216	61 794	66 043	79 271
Other Cash Flows/Payments by Type															
Capital assets	588	1 868	1 653	2 263	1 689	2 156	1 896	2 361	1 563	1 189	1 536	2 394	21 156	22 203	31 814
Repayment of borrowing			1 000					1 000				-	2 000	2 000	2 000
Total Cash Payments by Type	5 735	7 041	7 784	7 404	6 862	7 341	7 057	8 524	6 693	6 346	6 553	7 610	84 950	90 246	113 085
NET INCREASE/(DECREASE) IN CASH HELD	(3 052)	18 714	(7 392)	(7 113)	14 914	(520)	(6 654)	(8 205)	12 131	(5 982)	(3 808)	(7 227)	(4 195)	3 897	3 957
Cash/cash equivalents at the month/year begin:	6 857	3 805	22 519	15 127	8 014	22 928	22 408	15 753	7 548	19 679	13 697	9 889	6 857	2 662	6 559
Cash/cash equivalents at the month/year end:	3 805	22 519	15 127	8 014	22 928	22 408	15 753	7 548	19 679	13 697	9 889	2 662	2 662	6 559	10 516

Table 27 Table 45 MBBR Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Mining Props.
Budget Year 2013/14														
Valuation:														
No. of properties		203	6	498	33	57	6	25	–	–	–	101		2
No. of sectional title property values														
Years since last valuation (select)		2	2	2	2	2	2	2	2	2	2	2	2	2
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4		4
Method of valuation used (select)		Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.	Other Land & impr.
Base of valuation (select)														
Phasing-in properties s21 (number)														
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Total valuation reductions:														
Total value used for rating (Rm)	6	67	3	162	53	109	11	20				115	–	14
Total land value (Rm)	6													
Total value of improvements (Rm)	6													
Total market value (Rm)	6	67	3	162	53	109	11	20				115	–	14
Rating:														
Average rate	3	0.007000	0.014000	0.014000	0.007000	0.014000	–	0.014000				0.014000		0.014000
Rate revenue budget (R'000)		234	18	1,136	186	763	–	140				808		96
Rate revenue expected to collect (R'000)		65	5	318	52	166		39				226		27
Expected cash collection rate (%)	4	95.0%	5.0%	40.0%	5.0%	5.0%		5.0%				80.0%		60.0%
Special rating areas (R'000)														
Rebates, exemptions - indigent (R'000)														
Rebates, exemptions - pensioners (R'000)														
Rebates, exemptions - bona fide farm. (R'000)														
Rebates, exemptions - other (R'000)		15	150	15	15	15		15				15		15
Phase-in reductions/discounts (R'000)		85	–	85	85			85						
Total rebates,exemptns,redctns,discs (R'000)														